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March 2, 1992

Pensions & Investments

The Newspaper of Corporate and Institutional Investing

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AT DEADLINE

SEC pulls registrations

The SEC plans to cancel the registration of 26 California-based real estate firms that are registered as investment advisers.

The SEC found some registered advisers "do not give advice about securities, but instead manage real property for their clients' funds," according to a report. The firms registered solely to qualify as investment managers under ERISA, the report said.

Among the advisers cited are Grubb & Ellis Realty, CB Commercial Realty, Realty Advisors, Public Storage Institutional Realty Advisors and Scudder Realty.

The ruling focused on the California real estate advisers because of a routine examination by the Los Angeles regional office. While there is no national mandate, SEC officials expect other regional offices to undertake similar studies.

Salomon to advise RTC

The Resolution Trust Corp. selected Salomon Brothers Asset Management again to provide advisory services on its $2.6 billion high-yield securities portfolio. Salomon had advised the RTC in the past 15 months, during which the RTC sold more than $6 billion of high-yield securities, said Michael Hyland, managing director at Salomon Brothers Asset Management.

TWA asset deal reached

TTC Communications will be off the hook for Trans World Airline's pension obligations if TWA's plans are terminated.

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INSIDE

AP/WIDE WORLD PHOTOS

Maxwell pension legacy

Robert Maxwell's alleged misuse of company pension assets is prompting Parliament to consider separating the roles of money managers, trustees and custodians of British pension funds. Page 3.

Candidates talk pension issues

Short-term views, executive pay are concerns

AP/WIDE WORLD PHOTOS

Bill Clinton opposes high executive pay, but supports in-state investing.

By Joel Chernoff

Pension issues are just beginning to capture the attention of the 1992 presidential hopefuls as the primaries of Super Tuesday approach.

Because they've been struggling to survive the initial primaries, most of the candidates' opinions on the $3 trillion pension industry are not well-formed, but most do have opinions on at least some of the issues.

One issue of interest to most of them is institutional investor concern about the level of executive compensation.

Yet both Democratic and Republican candidates blame institutional investors for harming the competitiveness of U.S. corporations by taking too much of a short-term view.

Some also have sought to direct their own state pension funds into targeted investments to spur the local economy.

With primaries in Georgia, Maryland and Colorado occurring March 3 and 11 primaries and caucuses set for March 10, *Pensions & Investments* looked at the records of the candidates to see how they view key issues affecting the nation's pension funds and financial markets.

Some candidates provided responses to questions from this newspaper. Other responses were drawn from the candidates' public statements. Some — notably former Reagan administration aide and television commentator Patrick Buchanan — never have had to come out publicly on these issues, while President Bush has the record of his administration on which to stand.

Following is a rundown on the candidates' publicly stated views on major issues affecting institutional investors.

Executive compensation

Ever since President Bush traveled to Japan this winter accompanied by a gaggle of highly paid corporate executives, top management pay has grabbed hold of the national agenda. In the face of thousands of workers being laid off and the disparity between executive and worker pay, seven- and eight-figure corporate pay packages have been pounded in public forums.

Gov. Bill Clinton, D-Ark., leads

See **Views** *on page 32*

Defense cuts hit contractors' funds

By Fred Williams

The federal government might try to recover some surplus pension assets from large defense contractors if the defense budget is slashed and contractors eliminate thousands of jobs.

In addition, defense industry retiree medical liabilities could swell if companies lay off large numbers of older workers as a result of the Bush administration's plans to cut $50 billion from military spending through 1997.

The proposed cutbacks will affect not only the bottom lines of defense contractors, but also employee benefits because of a shrinking employment base and the unique nature of dealing with the government.

Among the effects:

- Defense contractors are likely to increase the fixed-income allocation of their pension funds to preserve assets and anticipate liquidity requirements of layoffs.
- Because most defense contractor's pension funds are fully funded (a government requirement before a contract is awarded), industry observers believe they will have sufficient assets to sustain massive layoffs without cutting into core equity holdings to, for example, meet lump sum benefit payments.

While preparing for major downsizing in the defense industry is of immediate concern, the issue of whether and how the government could reclaim any of the assets of overfunded pension funds also must be addressed.

Government procurement regulations permit the recovery of pension expenses in certain in-

See **Defense** *on page 34*

AP/WIDE WORLD PHOTOS

Reductions in the defense budget likely will affect benefit plans at companies like Grumman Corp., maker of the F-14 fighter jet.

'Best' firms lag in minority manager hires

By Terry Williams

The pension funds of 10 of the 25 best companies for blacks and Hispanics to work for employ no women- or minority-owned money management firms, a *Pensions & Investments* survey shows.

Eight have hired just one women- or minority-owned firm; five others have between two and four such managers. Two of the companies manage their pension assets internally and don't hire money managers.

The 25 companies examined by *P&I* were selected from lists of the best companies to work for in the magazines Black Enterprise and Hispanic.

Directory of women- and minority-owned firms: Page 14.

Pension executives from these companies say they would like to hire more minority- and women-owned firms, but can't. The reasons:

- Many funds are trimming their manager rosters.
- Many pension funds are fully funded and don't have cash flow to fund new managers.
- Minority- and women-owned firms aren't well represented in the growth areas such as defined contribution assets and indexing.
- The small size of many of these managers would result in even a modest corporate allocation comprising too much of a firm's total assets.
- The investment styles of minority- and women-owned firms are not diverse enough to include new areas in which pension funds are investing.

But some corporate pension funds are hiring money managers. According to the Tracker data base of Eager & Associates, Louisville, Ky., there were 378 "placements" of corporate pension fund assets with external

See **Minority** *on page 33*

NEWS DIGEST

JONATHAN WILSON

Morgan Grenfell Capital's David Baldt might be soft-spoken with small-town sensibilities, but his fixed-income returns speak loudly, and his assets under management are big time. Page 28.

The PBGC is at the center of a political debate over a change in the agency's accounting method. Page 6.

Del Monte Foods finally has forged a new identity for its $500 million in employee benefit assets. Page 28.

Employees of Burlington Industries and Harcourt Brace Jovanovich learn the potential downside of employee stock ownership plans. Page 30.

SPECIAL REPORT: MINORITY FINANCIAL SERVICES

***Pensions & Investments* profiles more** than 130 minority- and women-owned firms offering services from investment management to brokerage. Page 14.

INTERNATIONAL

The collapse of Robert Maxwell's empire is having a profound impact on the investment management community in the United Kingdom. Page 3.

REAL ESTATE

The Ameritech, GM and Michigan pension funds are among the investors in a Trammell Crow partnership buying hotel properties. Page 2.

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Survey deadline extended

The deadline for inclusion in *Pensions & Investments'* annual survey of investment managers has been extended. The completed forms, to be used for a special issue May 18, must be returned by March 15. If you have not received a questionnaire, or if you have any questions on how to complete the form, contact Christine Philip at (312) 649-5217.

Funds buy Courtyard hotels

Trammell Crow says 12% annual cash yield is minimum

By Steve Hemmerick

DALLAS — A group of investors led by large pension funds paid $146 million for 13 top performing Marriott Corp. Courtyard hotels as the hotel industry recovers from one of its worst downturns.

Despite severe overbuilding, investors were told by Trammell Crow Ventures, the investment adviser in the deal, to expect a minimum 12% cash yield each year for 20 years on the hotel investment, double the typical return on income pension funds are getting on many current real estate investments.

The $41 billion General Motors Corp. pension fund and the $21 billion Michigan State Retirement Systems are believed to be the two largest investors in Trammell Crow Equity Partnership II, the $540 million opportunity fund that bought the hotels. Another significant investor is the $16 billion pension fund of Ameritech Corp.

Robert Whitman, a managing partner with Crow, said the investment in Courtyard is similar to a sale-leaseback arrangement, except Marriott will serve as the hotels' proprietor.

Although Trammell Crow has discretion to make investments for the partnership, most of the investors are on an advisory committee that approved the hotel deal. Their approval was asked because the investment was outside the guidelines of the partnership.

"Basically it is a buyers' market, not a sellers' market. With this sale-leaseback arrangement, it would seem that Trammell Crow in this case would be in an enviable position because they do have capital to commit," said Barry Stevens, director of the Bureau of Investments for the Michigan Department of Treasury, which manages the Michigan pension fund.

The investment is unusual because pension funds, as well as other domestic institutional investors, generally have avoided investments in the troubled hotel industry in recent years.

Describing typical pension fund investor reaction to hotel investments, Charles Lightner, a senior manager with Prudential Realty Group, Newark, N.J., said: "The hotel market has really, really been overdone. Hotel construction has finally stopped, but profitability for hotels is not expected to come back for a few years."

But Mr. Whitman said with an economic recovery, investors in the Courtyard deal could get as much as an 18% cash yield some years.

Because of falling property values, pension investors place a premium on cash returns from real estate properties. Mr. Whitman said TCEP II's investment strategy has been shifted from buying quality properties at deep discounts to an income strategy.

The high return from the investment results from the price paid for the hotels, their location and the lease payments being paid by Marriott on the hotels, said Mr. Whitman.

Eight of the hotels bought by the investors are near airports.

See **Hotels** *on page 35*

ANTHONY F. FICKE

The Courtyard near Chicago's O'Hare Airport is one of the hotels fund investors own.

Nicholas' Time pension low

GM directors cut Smith's by 14.6%

By Margaret Price and Curtis Vosti

While N.J. Nicholas Jr.'s annual pension of $314,186 from Time Warner Inc. will be a drop in the bucket compared with his other compensation, retired General Motors Corp. Chairman Roger Smith's generous pension has been slashed by 14.6% to $1.08 million per year.

Mr. Nicholas' pension pales in comparison to the package — estimated at as much as $24 million, including accelerated stock options — he could end up with following his resignation under pressure as president and co-chief executive of Time Warner. That package seems likely to add fuel to the fire of institutional investors concerned about excessive executive compensation just before the proxy season gets under way.

GM, meanwhile, removed small twigs from the fire by reducing the pensions of Mr. Smith and 100 other retired executives, saving the company $14 million annually.

Mr. Nicholas' pension was estimated at *Pensions & Investments'* request by Robert Salwen, a principal at the employee benefit consulting firm of William M. Mercer Inc., New York.

His pension will kick in at age 60; he is 52. The amount estimated is before deductions are taken for such things as Social Security.

Mr. Nicholas' pension could rise to $356,000 annually if he chooses to remain on Time Warner's payroll for the remainder of his contract. The contract appears to allow Mr. Nicholas under certain circumstances the right to continue in the pension plan beyond termination for "at least an additional 7.4 years," Mr. Salwen said.

A Time Warner spokeswoman would not comment on Mr. Salwen's estimates except to call them "speculative."

To calculate Mr. Nicholas' estimated pension benefit, Mr. Sal-

See **Time** *on page 35*

1st Chicago loses realty appeal

By Steve Hemmerick

CHICAGO — First National Bank of Chicago has lost its court appeal to force some pension funds to accept whole properties in lieu of cash withdrawals from the bank's troubled Fund F.

Judges for the 7th U.S. Circuit Court of Appeals, Chicago, said if First Chicago executives now face "comparable evils" of property liquidation in a depressed market or fractional investor ownership, as they claim, neither would be found imprudent.

First Chicago officials, trying to avoid the evils cited by the court, sought to distribute whole properties. But some pension fund executives objected, fearing they would be stuck with overvalued and the least desirable properties in the fund.

The appellate decision addresses a key issue of whether real estate money managers should sell in a depressed market.

"A real estate investment fund is not required to sell properties the instant it receives a withdrawal request that exceeds its cash reserves; it can take up to a year to find a buyer," said the judges.

"Given this leeway, it is difficult to see how the bank in our case could be thought imprudent if it decided to sell over the course of a year a large part or, for that matter, the entirety of its real estate portfolio. To fault it for selling in a depressed market would be to commit the fallacy of supposing that a prudent investor is one who can time market turns — a fallacy that investment law has at least rejected, prodded by modern finance theory."

Fund F is a $540 million open-end, commingled real estate fund that, for at least 18 months, has been embroiled in lawsuits and beset with problems on how to meet cash withdrawal requests in a depressed real estate market.

Last fall, the bank asked the appeals court to overturn a district court decision saying First Chicago had to follow the rules of the U.S. Comptroller of the Cu-

See **Appeal** *on page 33*

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For more information, contact Donald A. Steinbrugge at 804-788-3805 or James D. Wahl at 214-508-1720.

Source: SEI. Based on gross performance of Growth Equity Fund. © 1992 NationsBank Corporation.

Emerging firms gaining

Minority- and women-owned investment management firms constitute a growing segment of the money management industry, and several ranked among the firms showing the largest net gains in *Pensions & Investments'* Money Manager Scoreboard in February.

This special directory of minority- and women-owned financial services firms was compiled from questionnaires sent out by *P&I*. More than 130 firms responded to this year's survey, providing information on services offered; the year the firm was founded; assets under management; investment approaches; special services in investment banking and brokerage areas; consulting services; and key personnel and their years of experience.

Unless otherwise noted, all firms are at least 51% owned by minorities or women.

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Abacus Financial Group Inc.

300 W. Washington St., Suite 1120, Chicago, Ill. 60606; (312) 553-9300

Abacus Financial Group Inc., founded in 1991, offers investment management services.

It has $5 million under management in domestic fixed-income accounts.

The fixed-income strategy is active and top-down, adding value through sector allocation, de-emphasizing interest rate timing, and adjusting the duration around a benchmark. Investments are made in A or better securities, with a specialization in mortgage-backed securities.

Key professionals at the firm and their years of experience are Judith Ann Calder, managing director, 17 years; Cynthia Plouche, managing director and chief investment officer, 8 years; and Adela Cepeda, managing director, 11 years.

AIBC Investment Services

80 SW Eighth St., Suite 2120, Miami, Fla. 33130; (305) 372-8000

AIBC Investment Services Corp., founded in 1985, offers investment banking and brokerage services.

The firm offers institutions discount trading through a minority firm.

Key professionals at the firm and their years of experience are Wifredo Gort, chairman and chief executive, 6.5 years; and William Burdette, president, 20 years.

Amerindo Investment Advisors Inc.

388 Market St., Suite 300, San Francisco, Calif. 94111; (415) 362-0292

Amerindo Investment Advisors Inc., founded in 1979, offers investment management.

It has $1 billion under management in equity accounts.

The firm's investment approach is emerging growth specializing in companies in the technology and health-care sectors.

Key professionals at the firm and their years of experience are Alberto W. Vilar, president and portfolio manager, 27 years; Leopoldo Guzman, principal, 19 years; Ralph H. Cechettini, portfolio manager, 21 years; Anthony Ciulla, trader, 40 years; Gary Tanaka, principal, analyst, trader, 20 years; Francis J. Salcuni, information technology analyst, 16 years; Sarah L. Gordon, biotechnology analyst, 8 years; Michael J. Sandifer, chief operating officer, 21 years.

Amervest Co. Inc.

1875 Century Park East, Suite 1740, Los Angeles, Calif. 90067; (310) 552-7972

Amervest Co. Inc., founded in 1983, offers investment management.

It has $200 million under management in domestic fixed-income accounts.

The investment strategy is active value. The firm invests in high-quality securities, employing a disciplined quantitative investment approach.

Key professionals at the firm and their years of experience are Peter Cheung, managing director, 18 years; Jerry Bardwell, co-managing director, 30 years; Ruston Nagarwalla, portfolio manager, 5 years; Alan Lui, manager research and development, 7 years; and Lori Kilburn, manager-business development, 5 years.

Annuities West Inc.

600 Stewart St., Suite 1324, Seattle, Wash. 98101; (206) 441-7399

Annuities West Inc., founded in 1983, offers fee-for-service consulting and insurance brokerage.

The firm specializes in pay-out annuities for terminal funding, plan terminations, state lotteries and deferred compensation. It is actively involved with market analysis and contract negotiations in the purchase of single-premium immediate annuities. It provides consulting services for actuaries, attorneys, insurers, plan sponsors and consultants.

The key professional at the firm is Evelyn Williams, president, with 22 years of experience.

Apex Securities Inc.

333 Clay St., Suite 1310, Houston, Texas 77002; (713) 650-1122

Apex Securities Inc., founded in 1987, offers investment banking and brokerage.

The firm has full equity and fixed-income capabilities on all domestic and international markets.

Key professionals at the firm and their years of

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Southdown, Inc.

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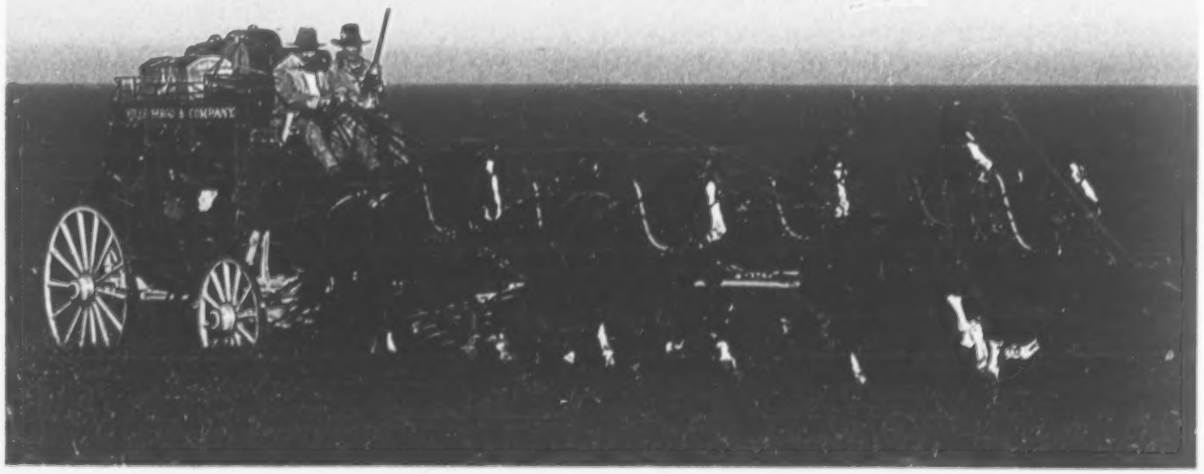

service are Rodney G. Ellis, director, 5 years; Richard M. Ramirez, president and chief executive officer, 5 years; D. Kirk Snelling, vice president-sales and training, 9 years; and Michael Schick, vice president-marketing, 3 years.

Aquarius Capital Management
189 Canal St., Providence, R.I. 02903; (401) 274-0881

Aquarius Capital Management, founded in 1989, offers investment management.

It has $1.5 million under management in equity and balanced accounts. The equity strategy is active, emphasizing growth stocks and using a top-down approach. Stocks are chosen within industries and market sectors expected to prosper within a 12- to 18-month economic forecast. Portfolio optimization is used to manage risk. The fixed-income strategy is active, using interest rate anticipation and a bottom-up approach.

Key professionals at the firm, and their years of experience, are Allen R. Wyllers, portfolio manager, 8 years; and Abu Baker, administrator, 8 years.

Arguelles Realty Advisors
445 S. Figueroa St., 26th Floor, Los Angeles, Calif. 90071; (213) 612-7741

Arguelles Realty Advisors Inc., formed in 1991, offers investment banking and real estate advisory services.

The firm has expertise in organizational management consulting, valuation, financial advisory services, asset management consulting, Latin American markets and in such ancillary services as environmental management.

The firm has a strategic alliance with Kenneth Leventhal & Co. and Drake Securities Capital.

Key professionals at the firm, and their years of experience, are Jesus Arguelles, managing director, 16 years; Manny Sanchez, director, 24 years; Craig Zabala, director, 16 years; Rosario Mendez, manager, 14 years; Larry Pynes and William Vera, consulting directors, 16 years each; Mike Morett, director, 12 years; Cheryl McMichael, manager, 16 years; Kobena Koomson, manager, 12 years; and Lesse Zahler, manager, 11 years.

Ariel Capital Management
307 N. Michigan Ave., Suite 1020, Chicago, Ill. 60601; (312) 726-0140

Ariel Capital Management Inc., founded in 1983, offers investment management.

It has $1.7 billion under management in domestic equity accounts.

The investment strategy is bottom up, seeking value and growth. The firm invests in undervalued companies that have been misunderstood by other Wall Street analysts, finding strong potential for growth and long-term appreciation.

Key professionals at the firm and their years of experience are John W. Rogers Jr., president, 10 years; Patrick Barclay, chief executive officer, 5 years; Ed Singleton, chief financial officer, 18 years; Eric McKissack, senior vice president-research, 10 years; Darice Wright, senior vice president-marketing, 10 years; and Nancy Hemriger, executive vice president, 10 years.

Arnold Investment Counsel
700 N. Water St., Suite 400, Milwaukee, Wis. 53202; (414) 271-2726

Arnold Investment Counsel Inc., founded in 1978, offers investment management.

It has $250 million under management in equity and fixed-income accounts. The equity strategy is value-oriented with a contrarian bent, focusing on stocks that already are beaten down due to bad news or industries that are unloved and undervalued by Wall Street. Its fixed-income approach is active, using interest rate anticipation. It is top-down overall, but bottom-up on corporates.

Key professionals and their years of experience are David Ausfeldt, president, 25 years; Lee Gust, executive vice president, 28 years; Ron Gawenski, vice president, 28 years; Dennis Shebesta, senior vice president, 26 years; Jim Dean, fixed-income manager, 15 years; and Bill O'Connor, director of research, 15 years.

Athene-Coronado Management Corp.
26 Broadway, Suite 241, New York, N.Y. 10004; (212) 422-6920

Athene-Coronado Management Corp., founded in 1984, offers investment management services.

It has $46 million under management in equity accounts.

The firm is an active manager specializing in special situations merger arbitrage. Positions are maintained based on a specific spread -- the difference between the cost and the ultimate merger price.

Key professionals at the firm and their years of experience are Sharon J. Kalin, president, 22 years; and Richard F. Howrilka, executive vice president, 16 years.

Beal Investment Co.
366 Madison Ave., New York, N.Y. 10017; (212) 983-4722

Beal Investment Co., founded in 1988, offers investment management.

It has $180 million under management in domestic equity accounts.

The firm offers five portfolios that replicate the four primary fundamental investment styles: large-cap value, large-cap growth, small-cap value and small-cap growth. The investment process starts by establishing target portfolio attributes for each style. Individual stocks are selected and weighted to match the targets.

The firm is affiliated with MR Beal & Co.

Key professionals at the firm and their years of experience are Bernard B. Beal, chief executive officer, 13 years; James E. Francis, portfolio manager, 8 years; Neil Lieberman, chief financial officer, 10 years; Valerie Lancaster, administrative officer, 14 years; Joffrey Marcus, assistant portfolio manager, 4 years; and Mildred M. Carrillo, manager-client services, 5 years.

Bedell Investment Counselling
100 Pringle Ave., Suite 235, Walnut Creek, Calif. 94596; (510) 932-0344

Bedell Investment Counselling, founded in 1976, offers investment management and consulting.

It has $35 million under management in equity and fixed-income accounts, as well as real asset investments.

The equity strategy is active, using growth and emerging growth stocks in a top-down approach. The fixed-income strategy is active, emphasizing value and using a bottom-up approach.

The key professional at the firm is Judith Bedell, portfolio manager, with 22 years of experience.

Bond, Procope Capital Management
767 Fifth Ave., 28th Floor, New York, N.Y. 10153; (212) 752-0900

Bond, Procope Capital Management, founded in 1991, offers investment management.

It has $123 million under management in domestic equity accounts.

The equity strategy is active, seeking growth through a bottom-up approach to investing in medium- to large-capitalization companies.

Key professionals at the firm and their years of experience are Alan B. Bond, president and chief investment officer, 7 years; Kristi Ryan, director of quantitative analysis, 7 years; Maria Williams, director of marketing, 3 years; and Eduardo Pascual, controller, 10 years.

Brooks Capital Management
25 Prospect Ave. W., Suite 700, Cleveland, Ohio 44115; (216) 861-1494

Brooks Capital Management Inc., founded in 1991, offers investment management.

It has $25 million under management in domestic fixed-income accounts. The investment strategy is active, specializing in U.S. government and agency issues.

Key professionals at the firm and their years of experience are Eric L. Small, manager, 8 years; and Cleveland C. Brooks, manager, 15 years.

Brooks Securities Inc.
25 Prospect Ave. W., Suite 700, Cleveland, Ohio 44114; (216) 861-6950

Brooks Securities Inc., founded in 1985, offers brokerage and investment management consulting.

The firm, as a broker-dealer and underwriter, has expertise in tax-free and taxable public debt and corporate debt and equities.

Key professionals at the firm and their years of experience are Cleveland C. Brooks, president, 5 years; Eric L. Small, managing director, 7 years; David Meeks, associate, 3 years; and Elmer J. Whiting Jr., controller, 20 years.

The Cambridge Group Money Managers Inc.
94 Grand Ave., Englewood, N.J. 07631; (201) 568-5909

The Cambridge Group Money Managers Inc., founded in 1985, offers investment management.

The firm actively manages large-cap domestic equity accounts. The firm's investment approach is based on the contention that the flow of money is the only factor that causes a stock to change in value. The methodology blends technical and fundamental analysis to gauge each stock's attractiveness. The methodology screens 14 technical factors.

Key professionals at the firm and their years of experience are James Hudgins, portfolio manager-marketing, 13 years; Martin Siegel, portfolio manager, 22 years; A.C. Hudgins, trader, 15 years; and Austin Nelson, computer services, 7 years.

Capitalcorp Asset Management Inc.
655 Montgomery St., Suite 800, San Francisco, Calif. 94111; (415) 981-4050

Capitalcorp Asset Management Inc., founded in 1990, offers investment management.

It has $160 million under management in domestic equity, balanced and cash accounts.

The equity strategy is passive and top down, investing in growth stocks. The fixed-income strategy is top down and sector rotational.

The firm seeks to add value through a disciplined, structured approach using quantitative models. Fundamental bottom-up analysis is blended into the process.

The firm is affiliated with TIS Asset Management.

Key professionals at the firm and their years of experience are Patricia Howe Ellison, chairman and chief executive officer, 30 years; Lorraine O. Legg, president, 30 years; Michael J. Romanowski, senior vice president, 8 years; and John E. Leslie III, Seth A. Fleicher, Douglas A. Barry and Joan M. Muller, vice presidents, each with 7 years.

Capital Insight Brokerage
190 N. Canon Drive, Suite 200, Beverly Hills, Calif. 90210; (310) 858-5165

Capital Insight Brokerage, founded in 1987, offers brokerage services.

The firm has capabilities in equity, fixed-income, options, commodities, currencies and international securities trading, and is a market maker in 8 to 10 OTC issues. It does all of its own domestic trading. It provides research in domestic small-capitalization special situations and in economic, geopolitical and currency overviews of various countries.

Key professionals and their years of experience are Marilyn Cohen, president, 16 years; Jene Alexander, head equity trader, 24 years; and Brian McDonald, head trader, fixed-income, commodities and foreign currencies, 9 years.

Capital Network Services
1 Bush St., 17th Floor, San Francisco, Calif. 94104; (415) 576-3634

Capital Network Services, founded in 1986, offers cash management services.

It has $130 million under management in short-term assets.

It is a manager of managers, investing in diversified, institutional money market and bond funds that offer high yields in quality instruments. The funds are managed by major bank institutional trust departments.

Key professionals, and their years of experience, are Kathryn Ann Healy, chairman and president, 23 years; Jena B. Ruhland, treasurer and chief executive officer, 18 years; and Debra J. Shanley, secretary and chief operating officer, 16 years.

Cartwright & Goodwin Inc.
291 Broadway, 17th Floor, New York, N.Y. 10007; (212) 267-7795

Cartwright & Goodwin Inc., founded in 1985, offers investment management, consulting, investment banking and brokerage services.

It has $67 million under management in equity, fixed-income and international futures management accounts. The firm offers passive, active, domestic and international approaches.

The active equity approach uses both top-down and bottom-up analysis, with growth, emerging growth and value securities. The active fixed-income approach focuses on high-grade securities managed within client-defined investment objectives and risk parameters. It offers South Africa free portfolios.

Key professionals at the firm and their years of experience are Stephen Goodwin, president and chief executive officer, 20 years; and Yvonne O'Neal, vice president, 10 years.

Cazenave & Co. Inc.
71 Stevenson St., Suite 1430, San Francisco, Calif. 94105; (415) 512-3480

Cazenave & Co., founded in 1987, offers brokerage services.

The firm has expertise in brokerage services for institutional equity clients. It also offers trade cost analysis, proxy services and portfolio restructuring.

Key professionals at the firm, and their years of experience, are Marx Cazenave, president, 25 years; William H. Carson, financial principal, 15 years; Rick Kogler, floor broker, 15 years; and Debra Norris, registered representative, 5 years.

L.H. Chaing Investment Counsel
5850 Canoga Ave., Suite 400, Woodland Hills, Calif. 91367; (818) 710-1022

L.H. Chaing Investment Counsel, founded in 1985, offers investment management and research on the Korean capital markets.

It has $56 million under management in equity and fixed-income accounts. The equity strategy is an active, top-down, value-oriented approach in both domestic and international markets. The domestic and international fixed-income strategy is active, focusing on interest rate anticipation and value.

Key professionals at the firm, and their years of experience, are Lein H. Chaing, principal, 12 years; Robert Meichelbock, research, 17 years; and John Heilman, analyst, 15 years.

Chandler Liquid Asset Management
4350 Executive Drive, Suite 103, San Diego, Calif. 92121; (619) 546-3737

Chandler Liquid Asset Management, founded in 1988, offers investment management.

It has $272 million under management in fixed-income accounts.

The firm specializes in the management of short- to intermediate-duration, high-quality, fixed-income portfolios. Its active style is based on a continuing analysis of relative value among investment alternatives.

Key professionals at the firm, and their years of experience, are Kay Chandler, president and chief investment officer, 17 years; and Marty Cassell, trader-analyst, 5 years.

The Chapman Co. Inc.
2 Hopkins Plaza, Suite 1010, Baltimore, Md. 21201; (410) 625-9656

The Chapman Co. Inc., founded in 1986, offers investment banking and brokerage.

The firm is a full-service investment brokerage firm, and is a broker-dealer in equity, fixed-income, money market and option securities.

The firm is affiliated with Chapman Capital Management Inc.

Key professionals at the firm, and their years of experience, are Nathan A. Chapman Jr., president, 15 years; Dewey Fitzpatrick, fixed-income trader, 16 years; and Kim Markiewicz, equity trader, 10 years.

Money manager profiles will appear in the May 18 issue.

Lynch, Jones & Ryan, Inc.

We are pleased to announce the following officers of the firm:

President and Chief Executive Officer

Howard J. Schwartz

Managing Directors

Glenn R. Firestone
Patrick J. Kilcooley
Michael A. Knoll
Richard L. Scheiner, CFA
Robert D. Van Langen, CPA
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Lisa Acocella
Laura I. Alpert
Mark L. Aquilino
Agnes J. Bermudez
Dolores Blandino
Albert H. Buschmann
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Daniel S. Davies
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Bob Dileo
Bruce W. Feiner
Richard Fremont
Richard F. Giacomo
Edward F. Johnson
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William E. Morfeld
Nicholas R. Peluse
Brenda Serating
John M. Seyler
Peggy Toolen-Farrell
John H. Toothill
Sherry Toscano
Thomas J. Vella, CPA
Paul Vollmer

Assistant Vice President

Mario Diamantopulos

Member New York Stock Exchange and other principal exchanges

Chapman Capital Management Inc.

2 Hopkins Plaza, Suite 1010, Baltimore, Md. 21201; (410) 625-9656

Chapman Capital Management Inc., founded in 1988, offers investment management.

It has $70 million under management in active equity and fixed-income accounts.

The equity approach focuses on growth-value mid-capitalizaton companies. In fixed-income, the company seeks the best possible total return through interest rate forecasts and examining relative value among fixed instruments.

The firm is a subsidiary of The Chapman Co.

Key professionals at the firm, and their years of experience, are Nathan Chapman Jr., chief investment officer, 15 years; Earl U. Bravo Sr., president, 16 years; Samuel Hopkins, economist, 52 years; Bill Amos, investment committee member, 47 years; Kenneth Taylor, vice president-marketing, 17 years; H. Bernard Dorshow, head of research, 25 years.

L.P. Charles & Co.

1600 Stout St., Suite 1000, Denver, Colo. 80202 (303) 534-4088

L.P. Charles & Co., founded in 1990, offers investment banking and brokerage services.

The firm has brokerage and execution expertise in fixed-income securities and equities, municipal finance, investment banking expertise in equity underwritings with market capitalizations of $25 million or greater and corporate debt that is rated A or better, and international securities execution.

Key professionals, and their years of experience, are Charles V. Pankey, president and chief executive officer, 11 years; Gary Silvestri, vice president, 12 years; Fritz Voelker, vice president, 18 years; Edward DiGiacomo, vice president, 30 years; Ralph D. Janitell III, manager, fixed-income trading and sales, 9 years; and Evelyn Pinney, principal, 4 years.

Charter Research & Investment Group Inc.

24 Thorpe St., Fairfield, Conn. 06430; (203) 259-4004

Charter Research & Investment Group Inc., founded in 1988, offers investment management.

It has $15 million under management in equity, fixed-income and balanced accounts.

The equity strategy is active, top-down and growth-oriented. The fixed-income strategy is active, top-down and based on interest rate anticipation, emphasizing investment-grade corporate and government securities. The investment approach concentrates on asset allocation, portfolio structure and quality of assets.

Key professionals at the firm, and their years of experience, are Paula M. Luciani, president, 25 years; and Gloria A. Marwell, vice president, 10 years.

CIC Asset Management Inc.

800 W. Sixth St., Suite 450, Los Angeles, Calif. 90017; (213) 629-0451

CIC Asset Management Inc., founded in 1989, offers investment management.

It has $100 million under management in equity accounts.

The firm specializes in managing large-cap portfolios, using a disciplined value approach. Computer-based valuation screens are used in conjunction with fundamental research to construct portfolios from a universe of 600 stocks.

Key professionals, and their years of experience, are Elano R. Monteiro, portfolio manager analyst, 11 years; Fernando Inzunza, portfolio manager analyst, 12 years; and Jorge Castro, portfolio manager analyst, 9 years.

Cisneros Asset Management

1000 Louisiana St., 60th Floor, Houston, Texas 77002; (713) 751-2463

Cisneros Asset Management Co., founded in 1989, offers investment management, investment management consulting and training.

It has $28b million under management in fixed-income accounts.

The firm's investment approach is to integrate interest rate anticipation and sector shifting techniques with research and analyses of monetary, economic and international conditions to achieve the highest rate of return over a full market cycle consistent with client objectives.

The firm has expertise in providing training in the basics of the fixed-income market place. It advises smaller public clients on the investment universe appropriate for their portfolios.

The firm has a sub-advisory investment agreement with Criterion Investment Management Co.

Key professionals, and their years of experience, are Gilbert Andrew Garcia, senior vice president, 7 years; and Narcios O. Cano, president, 2 years.

Clemente Capital Inc.

767 Third Ave., 33rd Floor, New York, N.Y. 10017; (212) 759-3339

Clemente Capital Inc., founded in 1976, offers investment management.

It has $353 million under management in equity and fixed-income accounts.

Its active equity strategy incorporates top-down, bottom-up, growth, emerging growth and thematic approaches. The fixed-income strategy is active, using sector rotation, interest rate anticipation, and top-down and bottom-up approaches.

As a global manager, the firm monitors economic development in 30 countries to develop an economic forecast and assess the relative strenght of the currency of each country. From the forecast it creates an asset allocation model, which includes a risk/reward analysis by country. It selects weightings by country and makes company selections based on bottom-up analysis.

The firm is affiliated with American Family Life Assurance Co.

Key professionals, and their years of experience, are Lilia C. Clemente, chairperson and chief executive officer, 25 years; Leopoldo M. Clemente, president, 23 years; and Thomas J. Prapas, managing director, 9 years.

Cookson, Peirce & Co. Inc.

535 Smithfield St., Pittsburgh, Pa. 15222; (412) 471-5320

Cookson, Peirce & Co. Inc., founded in 1983, offers investment management.

It has $110 million under management in equity and balanced accounts. The equity strategy is active, using a top-down approach for risk and bottom-up approach for stock selection. The fixed-income strategy is active and top-down.

Investment decision-making factors include market, fundamental, monetary and cyclic factors. Industry strengths are identified and, within policy limits, a deliberate effort is made to concentrate

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200 CONNECTICUT AVENUE, SUITE 700, NORWALK, CT 06854
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An open letter to the readers of "Pensions and Investments" from Muriel Siebert:

"With success comes obligation. I believe my SEPP Program can make a difference."

Although I have been a member of the New York Stock Exchange since 1967, new business opportunities are now available to my firm as the result of its status as a Women's Business Enterprise ("WBE"). Specifically, the bulk of my firm's underwriting opportunities result from the policies of the Federal, State and City Governments which encourage participation by woman- and minority-owned businesses.

These opportunities are providing significant profit potential for firms like mine. However, the Governments which provide these underwriting opportunities are struggling to balance their budgets. I have decided, therefore, to share the profit from this business with charities serving important social needs in the communities of either the issuer or the buyer.

We have formalized my idea of giving back to the communities of issuers or investors into an ongoing program which we call the Siebert Entrepreneurial Philanthropic Plan, or " SEPP Program." Under SEPP, my firm donates 1/2 of the sales commission we earn on underwritings and designations received as a result of our WBE status.

For example, our participation in the sales of new-issue mortgage backed securities by The Resolution Trust Corporation has enabled my firm to donate over $163,000 to numerous worthy charities located across the nation. Last year - the program's initial year - total SEPP donations exceeded $310,000.

I feel that my SEPP Program can make a difference and help make the 90's the "Decade of Decency." If you would like more information about the SEPP Program, we would be delighted to send you a copy of our brochure.

Please call or write either myself or Ms. Lynnelle Jones, Senior Vice President.

Cordially,

Muriel Siebert
President and Chairwoman

Muriel Siebert & Co., Inc.
444 Madison Avenue, New York, NY 10022
Tel: (212) 644-2418 Fax: (212) 486-2784

Muriel Siebert & Co., Inc. is a member firm of the New York Stock Exchange since 1967. The firm participates as an underwriter in financings by corporations, including debt and equity, and the debt financings of municipal and government agency issuers. In addition to underwriting services for issuers and investors, the firm provides equity trading services to institutional and individual investors at discounted commission rates.

in the most attractive industries.

Key professionals, and their years of experience, are Jane Cookson, president, 24 years; Robert B. Peirce, chief investment officer, 24 years; Donald H. Cookson, treasurer, 7 years; and Bruce W. Miller, portfolio manager, 5 years.

P.G. Corbin Asset Management Inc.

1411 Walnut St., Suite 1225, Philadelphia, Pa. 19103; (215) 568-2508

P.G. Corbin Asset Management Inc., founded in 1987, offers investment management.

It has $274 million under management in equity, fixed-income and balanced accounts.

The investment approach is to manage duration conservatively around the comparative index and maximize convexity, thus controlling risk while maximizing returns. Value is added by selecting the appropriate target, allocating sectors according to attractive historical and expected nominal and option-adjusted yield spreads, and using fundamental and technical analysis in buy and sell decisions.

Key professionals, and their years of experience, are Patricia Garrison-Corbin, chairman, 5 years; James D. Corbin, senior vice president, 3 years; Mark Terrence Corbin, portfolio manager, 3 years; Elizabeth Frank, consultant, 25 years; and Mel Hollis, research assistant, 2 years.

DIAMAN Associates

42 Dayton Road, West Redding, Conn. 06896; (203) 938-3770

DIAMAN Associates, founded in 1985, offers investment management, investment management consulting and foreign country fund partnerships.

It has $17 million under management in equity and fixed-income accounts.

The strategies are active and international in scope with a thematic approach to investment, using both top-down and bottom-up analysis. The investment approach uses a combination of fundamental and technical analysis. Proprietary technical analysis using advanced mathematical models is employed to control risk and adjust strategies.

Key professionals, and their years of experience, are Diana Maness, president, 22 years; Nicolai N. Ovodow, managing director, 25 years; and Roland Hagman, managing director, 10 years.

We are pleased to announce the formation of

El Dorado Ventures III, L. P.

$41,666,667

We wish to thank our Limited Partners and their Investment Advisers for their confidence and support in forming El Dorado Ventures III.

We also extend our gratitude to our long-time investors, company executives and other friends whose assistance helped make this offering successful.

General Partners

Shanda Bahles
Gary W. Kalbach
Thomas H. Peterson
Brent T. Rider

ML Futures Investment Partners Inc.

A wholly-owned subsidiary of Merrill Lynch & Co., Inc.

Managed Futures Investment Services

Institutional, Corporate and Individual Clients

Commodity Pool Operator

World Financial Center – South Tower
New York, NY 10080-6106
(212) 236-4158

Merrill Lynch

Discount Corp. of New York Advisers

58 Pine St., New York, N.Y. 10005; (212) 248-8990

Discount Corp. of New York Advisers, founded in 1978, offers investment management.

It has $2 billion under management in domestic and global fixed-income accounts. It is an active top-down, bottom-up fixed-income manager, using the highest quality and most liquid securities, derivatives and key currencies. Duration adjustments, international allocations and issue selection reflect the fundamental and technical analyses of U.S. and foreign interest rates and exchange market trends and developments.

Key professionals at the firm, and their years of experience, are Patricia deBlank Klink, president and chief executive officer, 20 years; Patrick L. Alexander, senior vice president-portfolio manager, 17 years; Theresa Rose, vice president-portfolio manager, 20 years; Donald Piotsky, vice president-portfolio manager, 7 years; Lauren I. Best, assistant vice president-portfolio manager, 19 years; and Peter Bernos, assistant vice president-administration, 13 years.

Doley Securities Inc.

616 Baronne St., New Orleans, La. 70113; (504) 561-1128

Doley Securities Inc., founded in 1975, offers investment banking services.

The firm participates in issue syndication as manager and underwriter. The firm also transacts OTC trades for clients, including institutions such as insurers and endowments.

Key professionals, and their years of experience, are Harold E. Doley Jr., chairman, 23 years; Arthur E. McClearin, senior executive vice president, 18 years; and Sue W. Walsworth, vice president, 1 year.

The EAI Americas Funds

200 Connecticut Ave., Suite 700, Norwalk, Conn. 06854; (203) 855-2299

The EAI Americas Funds, launched in 1990, is a manager of managers in active equities and fixed income.

It has $114 million under management, managed by nine, mainly emerging, investment firms. Low risk characteristics are achieved through manager and style diversification and the small manager expertise of Evaluation Associates, which operates the funds.

Key professionals at Evaluation Associates overseeing the funds, and their years of experience, are Larry Zielinski, senior vice president, 22 years; Keith Stransky, senior vice president, 17 years; and Lois Block, coordinator, 11 years.

East/West Securities Co.

120 Montgomery St., Suite 993, San Francisco, Calif. 94104; (415) 397-3400

East/West Securities Co., founded in 1981, offers brokerage and institutional research.

The firm has expertise in block executions in domestic and foreign securities and a strong international multilingual staff able to execute and clear all markets. It also provides investment research in domestic and foreign securities with emphasis on sells as well as buys. It has particular expertise in Asian, U.K. and U.S. securities.

Key professionals, and their years of experience, are Charles Nai Fung Chen, managing partner, 14 years; Leslie U. Harris, partner, 23 years; Benedict Choi, executive vice president, 13 years; Michelle Y. Chan, vice president, 4 years; Wilson Chow, vice president, 23 years; Sara M. Grossman, vice president; 6 years; John Snead, analyst, 4 years; and Helen Lam, cashier, 19 years.

Economic Resources Corp.

2600 Industry Way, Lynwood, Calif. 90262; (310) 537-4610

Economic Resources Corp., founded in 1968, offers investment management.

It has $9 million under management in venture capital.

The firm's investments are in businesses with substantial ownership interest by ethnic minority groups. The fund is diversified but targets manufacturing, communications and health-care technology. It has special expertise in environmental investing and entertainment finance.

Key professionals, and their years of experience, are: Lancelot E. Drummond, chief executive officer, 30 years; Kenneth T. Lombard, executive vice president, 15 years; Gregory B. Boyd, senior vice president, 17 years; and Deborah Pegues, vice president, 15 years.

Evergreen Asset Management Inc.

1301 Fifth Ave., Suite 3634, Seattle, Wash. 98101; (206) 224-9914

Evergreen Asset Management Inc., founded in 1988, offers investment management and execution services.

It has $65 million under management in equities and fixed-income accounts.

The firm specializes in core growth equity management that emphasizes diversification and risk management. The conservative strategy is constructed to provide long-term, consistently above-average returns. The domestic fixed-income strategy is conservative, based on interest rate anticipation and designed to earn a better-than-market rate of return with extremely low risk.

Key professionals, and their years of experience, are Elana Russell, president, 21 years; and Mary Jane Patterson, vice president, 14 years.

EverGreen Capital Management Inc.

10250 Regency Circle, Omaha, Neb. 68114; (402) 392-7834

EverGreen Capital Management Inc., founded in 1989, offers investment management.

It has $29 million under management in equities. It uses a value contrarian strategy to discover equities that present opportunities for superior growth over a market cycle.

Key professionals at the firm, and their years of experience, are Michael L. Green, president, 6 years, and Mary H. Jochim, vice president, 13 years.

Ewing Capital Inc.

1110 Vermont Ave. N.W., Suite 1170, Washington, D.C. 20005; (202) 463-8787

Ewing Capital Inc., founded in 1981, offers investment management and brokerage.

It has $21 million under management in equity and balanced accounts.

The equity strategy is active and top down, with a growth emphasis. It invests in companies that are fundamentally superior and technically attractive.

Brokerage services are offered to institutions on domestic and international equities, domestic fixed-income instruments and special products.

Key professionals, and their years of experience, are Samuel D. Ewing Jr., president, 30 years; Thomas H. Parnell, portfolio manager, 18 years; Theodore S. Bryant, equity trader, 3 years; and Linda E. LaPrada, fixed-income trader, 8 years.

Florence Fearrington Inc.

90 Broad St., New York, N.Y. 10004; (212) 480-9020

Florence Fearrington Inc., founded in 1979, offers equity investment management.

The firm has $176 million under management. It follows a value approach, purchasing only when securities appear distinctly undervalued in the market place in relation to the firm's analysis of their intrinsic value.

Key professionals at the firm are Florence Fearrington and James W. Needham.

Financial Architects

5 Militia Drive, Lexington, Mass. 02173; (617) 674-0042

Financial Architects, founded in 1990, is an investment management firm.

It has $4 million under management in equity accounts. Portfolios are structured as growth or growth and income. The firm also can screen for socially responsible investments.

The key professional at the firm is Catherine F. White, portfolio manager and chief executive officer, who has 13 years of experience.

First Honolulu Securities

900 Fort Street Mall, Suite 950, Honolulu, Hawaii 96813; (808) 523-9422

First Honolulu Securities Inc., founded in 1979, is a brokerage firm.

The firm has expertise in emerging markets in Asia, Latin America and Europe. It provides domestic equity and fixed-income research on Hawaii-based companies and undervalued corporate and municipal debt instruments.

It clears through Bear Stearns, Prudential Bache and Shearson.

Key professionals at the firm, and their years of experience, are Gregory F. Kowal, president and principal, 20 years; Frank Inzarry, director of marketing and principal, 13 years; Richard Dole, domestic analyst, 23 years; and Alejandro A. Aquino, international analyst, 10 years.

Forum Capital Management

650 S. Cherry St., Suite 745, Denver, Colo. 80222; (303) 320-1110

Forum Capital Management Corp., founded in 1991, offers investment management and brokerage.

It has $15.5 million under management in fixed-income accounts. The domestic fixed-income strategy is active and top-down, based on interest rate anticipation, sector rotation and value.

The firm receives administrative support from the Winsbury Co., which oversees 70 mutual funds.

Key professionals, and their years of experience, are Patricia Moore, president, 12 years; Michael A. Southwell, executive vice president, 19 years; Richard Hinderlie, vice president and portfolio manager, 18 years; John Diagle, vice president, 7 years; Karen Howard, vice president, 3 years; and Autumn Zamzow, director, 10 years.

Fulton Breakefield Broenniman Inc.

4326 Montgomery Ave., Bethesda, Md. 20814; (301) 657-8870

Fulton Breakefield Broenniman Inc., founded in 1984, offers investment management and brokerage services.

It has $25 million under management in equity, fixed-income and real estate investment trust accounts. The investment strategies are active, emphasizing value with a bottom-up approach.

Key professionals, and their years of experience, are Susan Breakefield Fulton, president, 8 years; and Margaret Clover Broenniman, vice president, 20 years.

Fundamental Associates Inc.

606 Wilshire Blvd., Suite 600, Santa Monica, Calif. 90401; (310) 451-0133

Fundamental Associates Inc., founded in 1987, offers investment management.

It has $495 million under management in actively managed, domestic fixed-income accounts.

The firm's investment approach is based on a belief that superior returns are obtained by staying essentially fully invested in high-quality securities. Preservation of capital is of utmost importance.

Key professionals at the firm, and their years of experience, are Paul L. Martin, president, 30 years; Glenn F. Lewis, chairman, 38 years; Terry H. Holberton III, managing director, 20 years; and Michael J. Schab, managing director, 11 years.

Galleon Capital Management

2355 Northside Drive, Suite 120, San Diego, Calif. 92108; (619) 584-6185

Galleon Capital Management Inc., founded in 1990, offers investment management.

It has $32 million under management in active equity accounts.

The equity strategy is bottom-up and growth oriented, focusing exclusively on large companies with strong fundamentals, accelerating cash flows, high return on equity and valuations based on cash flow to price multiples.

Key professionals at the firm, and their years of experience, are Louis Acevedo, chairman and chief investment officer, 12 years; Garry Johnson, portfolio manager, 21 years; Millie Rauschenberg, generalist-research analyst, 2 years, and Mana Acevedo, trader, 10 years.

Garewal Financial Consultants

24 Barger St., Putnam Valley, N.Y. 10579; (914) 528-0245

Garewal Financial Consultants, founded in 1990, offers investment and portfolio accounting with back office support.

The firm processes investment transactions, deals with brokers and custodians, monitors margin accounts, prepares customized performance reports and financial statements and supports the auditors.

Key professionals at the firm, and their years of experience, are Pratibha Garewal, partner, 11 years, and Karan Garewal, partner, 13 years.

Genesis Capital Management

909 Montgomery St., Suite 600, San Francisco, Calif., 94133; (415) 677-1551

Genesis Capital Management, founded in 1990, offers investment management.

It has $50 million under management in equity and fixed-income accounts. The active equity and fixed-income strategies both focus on growth, using bottom-up approaches and sector rotation.

The firm's investment approach is conservative and growth-oriented with a long-term horizon. The discipline is biased toward defensive strategies, which cushion downside risk in turbulent markets. The firm regards volatility and market inefficiencies as opportunities to enhance value.

Key professionals at the firm, and their years of experience, are Gail P. Seneca, partner, 10 years; Harold C. Nathan, senior portfolio manager, 14 years; Richard C. Little, partner, 23 years; Mary Schiavone, director of municipal bonds, 20 years; Charles Dicke, portfolio manager, 4 years; and Ronald Jacks, portfolio manager, 3 years.

Global Execution Network Associates Inc.

100 Wall St., 21st Floor, New York, N.Y. 10005; (212) 747-3345

Global Execution Network Associates Inc., founded in 1991, offers brokerage services.

The firm specializes in providing international equity and bond execution through its own network. It is active in 26 markets on five continents. Offices are located in New York, London and Paris.

The firm is affiliated with Charles Alan Securities Inc., London.

Key professionals at the firm, and their years of experience, are Lisa A. Manuele, president, 10 years; Herve A. Simon, director, 23 years; Robert A. Golding, director, 22 years; and Deborah E. Holland, marketing director, 11 years.

GLOBALT Inc.

3060 Peachtree Road N.W., Suite 225, 1 Buckhead Plaza, Atlanta, Ga. 30305; (404) 364-2188

GLOBALT Inc., founded in 1990, offers investment management services.

It has $20 million under management in equity, fixed-income and balanced accounts.

The equity approach is active and growth-oriented, using a multifactor model for portfolio optimization. It invests exclusively in a proprietary universe of U.S. multinational companies, providing an international investment alternative. It emphasizes global exposure, earnings growth and low price to value. The fixed-income approach is active, focusing on controlled duration, emphasizing high quality and liquidity.

Key professionals at the firm, and their years of experience, are Angela Z. Allen, president, 21 years; Samuel E. Allen, director, 33 years; and Gary

E. Fullam, Fredric A. Mann and William H. Roach Jr., senior vice presidents, with 6, 22 and 7 years respectively.

Gorland Securities Inc.
372 Danbury Road, Wilton, Conn. 06896; (203) 761-9897

Gorland Securities Inc., founded in 1990, offers brokerage, research and market strategy.

The firm offers proprietary products in fundamental research and technical analysis, using advanced mathematical models of international markets.

Key professionals at the firm, and their years of experience, are Diana Maness, chief executive officer, 22 years; Nicolai N. Ovodow, president, 25 years; and Roland Hagman, chairman, 10 years.

Gramercy Capital Management Corp.
515 Madison Ave., 41st Floor, New York, N.Y. 10022; (212) 935-6909

Gramercy Capital Management Corp., founded in 1986, offers investment management.

It has $255 million under management in equity accounts.

The firm manages concentrated portfolios with 10 to 20 stocks. It has a value orientation, although growth in earnings also is a major factor. It seeks out-of-favor stocks that are undervalued by institutions and over-owned by management.

Grace & White is a minority shareholder.

Key professionals at the firm, and their years of experience, are Joan E. Lappin, president, 27 years; Gerald I. White, chairman, 24 years; and Joel Goldsmith, analyst, 6 years.

Greaves Capital Management Inc.
1230 Peachtree St., Suite 2470, Atlanta, Ga. 30309; (404) 874-1284

Greaves Capital Management Inc., founded in 1985, offers investment management.

It has $439 million under management in actively managed, domestic equity accounts.

The firm's bottom-up approach invests in large- and medium-capitalization companies on a long-term basis, with heavy emphasis placed on minimizing the risk of owning equities by paying strict attention to portfolio design.

Key professionals at the firm, and their years of experience, are Keith A. Greaves, president and chief investment officer, 20 years, and Winston Nunn, vice president, 5 years.

Gries Financial Corp.
1127 Euclid Ave., Suite 1500, Cleveland, Ohio 44115; (216) 861-1148

Gries Financial Corp., founded in 1978, offers investment management.

It has $102 million under management in equity, fixed-income and balanced accounts.

The active equity strategy uses top-down, bottom-up analysis, investing in both growth and value stocks. The active fixed-income strategy uses interest rate anticipation and top-down, bottom-up analysis. The firm's approach is based on the belief that changes in fundamentals drive valuations.

Key professionals at the firm, and their years of experience, are Sally Gries, president, chief executive officer and portfolio manager, 25 years; and Stewart L. Rice, executive vice president and director of investment management, 30 years.

Grigsby Brandford Capital Partner
1118 N. LaSalle Drive, Chicago, Ill. 60610; (312) 944-0359

Grigsby Brandford Capital Partner, founded in 1991, offers investment management, brokerage and investment management consulting.

It has $70 million under management, in equity and fixed-income accounts.

The firm uses a top-down, value-oriented approach to both stocks and bonds. The ability to forecast basic economic patterns and reliance on quantitative tools are important components of the process.

The firm also offers research support for domestic and international equity and fixed-income management on an advisory basis. Bond and stock brokerage is provided primarily through the firm's affiliate, Grigsby Brandford & Co. Inc.

Key professionals at the firm, and their years of experience, are Alan D. Segars, managing partner, 23 years; Calvin B. Grigsby, sales, 21 years; and George M. Cohen, researcher, 17 years.

GW Capital Inc.
10800 N.E. 8th St., Suite 315, Bellevue, Wash. 98004; (206) 646-9336

GW Capital Inc., founded in 1989, offers investment management.

It has $30 million under management in equity, fixed-income and balanced accounts. Both the equity and fixed-income strategies are active and sector rotational.

The firm's equity approach emphasizes target sectors based on business cycle analysis and fundamental security selection. Growth, value and low p/e stocks are included. The fixed-income approach uses intermediate corporate and government as well as convertible bonds.

Key professionals at the firm, and their years of experience, are Guy N. Watanabe, president, 16 years, and Linda K. Mauzy, vice president, 7 years.

Hahn Capital Management
350 Sansome St., Suite 1030, San Francisco, Calif. 94104; (415) 397-6960

Hahn Capital Management, founded in 1988, offers investment management.

It has $12 million under management in equities and fixed income.

Its equity approach is value-oriented, grounded in Graham and Dodd principles. Fundamental analysis is used to determine a value range for a stock that guides the buy and sell decisions. Value is determined through future cash flows. Its fixed-income approach is active, using interest rate anticipation, top-down analysis and a value approach.

Key professionals at the firm, and their years of experience, are Elaine F. Hahn, president, 15 years; and Michael Frandsen, research assistant, 4 years.

Hamil & Holte Inc.
410 17th St., Suite 2460, Denver, Colo. 80202; (303) 820-3701

Hamil & Holte Inc., founded in 1983, offers investment management.

It has $35 million under management in equity and fixed-income accounts.

The firm's active, growth-oriented equity approach has a long-term conservative bias, stressing preservation of capital. A proprietary model helps find good values, emphasizing earnings growth and eliminating companies with high levels of debt. In fixed-income, the firm maintains a risk-adverse approach, attempting to achieve real rates of return coupled with low price volatility. Quality is stressed.

Key professionals at the firm, and their years of experience, are Carolyn Hamil Henderson, president, 12 years, and Debra L. Holte, executive vice president, 12 years.

Hamilton Management Group Inc.
3775 NationsBank Plaza, Charlotte, N.C. 28280; (704) 358-9808

Hamilton Management Group Inc., founded in 1985, offers investment management.

It has $19 million under management in equity and balanced accounts. The firm uses a bottom-up approach for both stocks and bonds.

The firm combines the general tenets of efficient capital market theory with fundamental research skills. The equity approach uses economic sector indexation and fundamental analysis to select stocks within these sectors. The fixed-income approach takes advantage of call and sinking-fund features in certain issues that result in relatively higher current yields and lower price fluctuations.

Key professionals at the firm, and their years of experience, are Mary L. Woollen, chief operating officer and director of research, 8 years, and Peter J. Shintay, portfolio manager and marketing director, 13 years.

Hanover Capital Asset Management Inc.
1520 Locust St., Philadelphia, Pa. 19102; (215) 731-0631

Hanover Capital Asset Management Inc., founded in 1990, offers investment management and financial advisory services.

It has $45 million under management in fixed-income accounts.

The firm's active fixed-income approach is duration- and allocation-based. It employs three fundamental principles in the picking investments: absolute and relative value; maintenance and improvement of purchasing power; and construction of diversified portfolios.

The firm also offers financial advisory services to state and local municipalities in the areas of mortgage finance and credit underwriting; cash liquidity management; and asset review and disposition.

The firm is affiliated with Hanover Capital Partners.

Key professionals at the firm, and their years of experience, are Marilyn Dicks-Riley, president, chief executive officer and chief investment officer, 14 years; Irma N. Tavares, managing director, trader, 10 years; and Joyce S. Mizerak, vice president and senior research analyst.

HCM Capital Management
P.O. Box 4342, Honolulu, Hawaii 96812; (808) 841-3699

HCM Capital Management Inc., founded in 1990, offers investment management.

It has $117 million under management in active fixed-income accounts. The firm identifies interest rate trends, considering changes in fundamental economic factors. Relative value analysis is used in security selection to identify pricing inefficiencies with respect to sector, quality, coupon and maturity.

The key professional at the firm is Michael K. Hirai, chief investment officer, with 9 years of experience.

Holland Capital Management
35 W. Wacker Drive, Suite 3260, Chicago, Ill. 60601; (312) 553-1000

Holland Capital Management, founded in 1991, offers investment management. Brokerage is available through its affiliate, HCM Investments Inc.

It has $50 million under management in equities, fixed-income and balanced accounts.

In equities, the firm invests in high-quality growth stocks, using a bottom-up stock selection approach and fundamental research. Its core, active fixed-income approach is top-down within a long-term framework, avoiding extreme maturity/duration shifts while focusing on high-quality, liquid issues.

Key professionals at the firm, and their years of experience, are Louis A. Holland, managing partner and chief investment officer, 25 years; Kenneth J. Gimbel, senior vice president and director of research, 22 years; Laura J. Janus, vice president and portfolio manager, 22 years; and Monica L. Walker, vice president and portfolio manager, 8 years.

Holt-Smith & Renk Inc.
4274 East Towne Blvd., Suite 204, Madison, Wis. 53704; (608) 249-4488

Holt-Smith & Renk Inc., founded in 1987, offers investment management.

It has $20 million under management in equity, fixed-income and balanced accounts.

The equity strategy is active, focusing on growth and emerging growth issues. The firm uses a bottom-up approach encompassing a wide variety of market capitalizations. The fixed-income strategy is active and uses interest rate anticipation. Portfolio volatility lowered by reducing duration when interest rates are trending higher.

Key professionals at the firm, and their years of experience, are Marilyn Holt-Smith and Kristin Y. Renk, both managing directors with 13 and 12 years, respectively.

John Hsu Capital Group Inc.
767 Third Ave., 11th Floor, New York, N.Y. 10017; (212) 223-7515

John Hsu Capital Group Inc., founded in 1991, offers investment management services.

The firm's active equity approach uses a comprehensive, top-down analysis of global political economies; currency cross rates; real GNP growth; inflation; corporate profits; Federal Reserve policy; and interest rates. Bottom-up stock selection focuses on undervalued assets and out-of-favor stocks and sectors. The active fixed-income approach is top-down, focusing on the balance between value and risk. The firm emphasizes total return, credit research and analysis; and credit features.

Key professionals at the firm, and their years of experience, are John Hsu, chairman, 30 years; Suzanne J. Curne, managing director, 16 years; and Mark Collins, analyst, 3 years.

Hudson Hamilton Capital Management Inc.
130 Commons Court, Chadds Ford, Pa. 19317; (215) 558-4001

Hudson Hamilton Capital Management Inc., founded in 1991, offers investment management.

It has $8 million under management in equity accounts.

The active equity strategy is growth-oriented using bottom-up analysis. The firm seeks stocks with consistent earnings growth for at least five years and low debt. Portfolios have a medium-capitalization bias. The firm will not invest in financial, airline or utility stocks.

Key professionals at the firm, and their years of experience, are Janet C. Hamilton, president, 8 years, and J. Penn Hudson II, vice president and chief investment officer, 17 years.

Heuler Cos.
11000 W. 78th St., Suite 101, Minneapolis, Minn. 55344; (612) 941-5351

Heuler Cos., founded in 1986, is comprised of three distinct firms, each providing consulting expertise, products and services in the stable-asset GIC market.

- K.H. Heuler provides consulting services for 401(k) and profit-sharing plans. Services include portfolio evaluation and performance measurement.
- Heuler Analytics Inc. is a customized data base and performance measurement system for 30 GIC pooled funds with $8 billion in assets. Comprehensive analysis and comparison is available on a quarterly basis.
- LOGIC Systems Inc. is a GIC data base and portfolio evaluation system. Software for analysis, administration and reporting is offered.

Key professionals at the firm, and their years of experience, are Kelli Hustad Hueler, president and chief executive officer, 11 years; Janet Jasin Quarberg, principal and chief operating officer, 5 years; and Paula M. Fahey, principal and vice president, 8 years.

INNOVA Securities Inc.
225 Franklin St., 25th Floor, Boston, Mass. 02110; (617) 261-9170

INNOVA Securities Inc., founded in 1990, offers brokerage, investment banking, investment management consulting and investment manager due diligence review.

It has special expertise in unclaimed property matters and advising financially distressed governmental issuers.

Key professionals at the firm, and their years of experience, are Edward A.H. Siedle, president, 12 years; Eric H. Pookrum, executive vice president, 12 years; Benjamin Blakney, senior vice president, 8 years; John V. Burnham, vice president, 10 years; and Vincent J. Santos, vice president, 8 years.

Proxy season preview: March 30.

Institutional Portfolio Services
1 First National Plaza, Suite 2594, Chicago, Ill. 60603; (312) 236-5388

Institutional Portfolio Services, founded in 1969, offers investment management.

It has about $100 million under management in equities, fixed-income and options accounts.

In equities, it uses a top-down approach. The firm chooses two dominant companies in each of five industries favorably situated during a given phase of an economic cycle. Less than 10% of the portfolio is allocated to special situations or turnarounds. Its fixed-income approach uses interest rate anticipation.

Key professionals at the firm, and their years of experience, are B. Padmanabha Pai, president, 24 years, and Mohini C. Pai, vice president, 18 years.

Investment Advisors of Key Biscayne Inc.
240 Crandon Blvd., Suite 200, Key Biscayne, Fla. 33149; (305) 361-7951

Investment Advisors of Key Biscayne Inc., founded in 1986, offers investment management.

It has $10 million under management in active equities and fixed-income accounts. Its equity approach is growth-oriented. Its fixed-income approach is top-down, using interest rate anticipation.

Key professionals at the firm, and their years of experience, are Ernestine McKay, president, 27 years, and Margarita V. Fernandez, vice president, 7 years.

Jackson Pittsburg Associates
2 Broadway, New York, N.Y. 10004; (212) 635-0130

Jackson Pittsburg Associates, founded in 1991, offers brokerage, using value and timing approaches.

The firm is a division of RAS Securities.

Key professionals at the firm are Ronald Jackson, president, and Jeffrey Pittsburg, vice president, each with 22 years of experience.

JMC Capital Management
P.O. Box 6468, Metairie, La. 70009; (504) 833-1111

JMC Capital Management Inc., founded in 1981, offers investment Management.

It has $472 million under management in equity, fixed-income and cash management accounts. The active equity strategy is bottom-up, investing in growth stocks. The active fixed-income strategy is top-down.

The firm's invests in growth stocks with an emphasis on superior earnings growth in the strongest industry groups. The fixed-income approach uses limited-maturity, high-quality securities that produce consistent returns. Balanced portfolios combine the two approaches. The firm is 20% owned by minorities or women, and is affiliated with JMC Securities Inc.

Key professionals at the firm, and their years of experience, are Franklin H. Jones Jr., chief executive officer, 33 years; Stephen J. Casamento, executive vice president, 20 years; and Earl Johnson Jr. and Michael W. Rohm, senior vice presidents, with 15 and 19 years, respectively.

Kalin Associates Inc.
26 Broadway, Suite 241, New York, N.Y. 10004; (212) 809-6400

Kalin Associates Inc., founded in 1990, offers brokerage services.

All listed orders are placed directly on the NYSE floor to assure prompt, accurate executions with the highest level of confidentiality. The firm acts only as agent. It also offers execution services on principal European and Asian exchanges.

Key professionals at the firm, and their years of experience, are Sharon J. Kalin, president, 22 years; Milissa J. Martin, secretary, 12 years; and Richard F. Howrilka, executive vice president, 16 years.

The Kenwood Group Inc.
77 W. Washington, Suite 1615, Chicago, Ill. 60602; (312) 368-1666

The Kenwood Group Inc., founded in 1989, offers investment management.

It has $24 million under management in equity accounts.

The firm's investment approach is value-oriented, focusing on attractive opportunities in the $200 million to $6 billion capitalization range. Rigorous fundamental analysis and close examination of management decisions and strategies are central to the firm's philosophy. The approach is designed to beat the S&P 500 over a full market cycle, while minimizing volatility.

Key professionals at the firm, and their years of experience, are Barbara L. Bowles, president, 15 years; Mark Watson, vice president, 5 years; and Jacqueline Ward, vice president, 10 years.

Krystal Investment Management
70 W. Madison, 3 First National Plaza, Suite 1401, Chicago, Ill. 60091; (312) 781-9668

Krystal Investment Management, founded in 1991, offers equity investment management.

According to Pensions & Investments, We Were #1 in 1991. Twice.

Top Row: **James Francis**-Portfolio Manager, **Bernard Beal**-CEO
Bottom Row: **Mildred Carrillo**-Manager, Client Services, **Jeff Marcus**-Assistant Portfolio Manager

Beal Investment Company

Top Manager of 1991

Most New Domestic Equity Business (under $250 Million)

Net Dollar Gain (under $250 Million)

We want to thank our Public and Corporate Clients for their confidence and support.

To learn more about Beal Investment Company's Equity Style Portfolios, please call James Francis at 212-983-4722, or write to us at 366 Madison Avenue, New York 10017.

Its strategy is to use its own index fund to buy stocks of U.S. companies with 20% to 80% of their assets invested outside the country.

The key professional at the firm is Jesse B. Brown, portfolio manager, with 12 years of experience.

Lamaute Financial Group

4727 Wilshire Blvd., Suite 500, Los Angeles, Calif. 90010; (213) 930-2208

Lamaute Financial Group Inc., founded in 1985, offers real estate advisory services.

The firm has a joint venture with Radisson Hotels International to advise institutional clients on distressed hospitality assets. The firm assists clients with loan workouts.

Daniel Lamaute, principal, has 14 years experience.

Lara, Luchsinger & Dietze

8000 Towers Crescent Drive, Suite 260, Vienna, Va. 22182; (703) 827-2306

Lara, Luchsinger & Dietze Ltd., founded in 1991, offers investment management.

It has $43.4 million under management in fixed-income accounts.

The active fixed-income strategy capitalizes on the firm's extensive experience with U.S. Treasury STRIPS to capture major gains in price movements through rigid adherence to its proven buy/sell disciplines. The firm invests in U.S. government and agency-backed adjustable rate instruments as a surrogate for cash.

The firm is affiliated with Lara, Millard & Associates.

Key professionals at the firm, and their years of experience, are Patrice C. Lara, president, 6 years; E. Ronald Lara, executive vice president, 21 years; Jory Luchsinger, vice president, 21 years; and Holger Dietze, principal, 10 years.

WR Lazard & Co.

14 Wall St., New York, N.Y. 10005; (212) 406-2700

WR Lazard & Co., founded in 1985, offers investment management, investment banking and brokerage services.

It has $2.034 billion under management in equity and fixed-income accounts. The active equity strategy is growth oriented, using bottom-up analysis. It offers both active and passive fixed-income strategies.

The firm's investment approach is conservative, combining quantitative and fundamental analysis with the primary goal being the maximization of return consistent with preservation of capital.

The firm has expertise in investment banking and underwriting. It works with state and local governments to facilitate the issuance of debt securities.

Key professionals at the firm, and their years of experience, are Wardell R. Lazard, chairman, 17 years; Frankie D. Hughes, director of asset management, 13 years; and William J. Schultz, fixed-income manager, 5 years.

R.M. Leary & Co.

3300 E. First Ave., Suite 290, Denver, Colo. 80206; (303) 320-1063

R.M. Leary & Co., founded in 1978, offers investment management.

It has $43.5 million under management in equity and fixed-income accounts. The equity strategy is based on growth and emerging growth, using a minimum stop-loss to reduce risk and increase return. The fixed-income strategy is based on interest rate anticipation.

The firm takes 100% invested position in either an aggressive stock, bond or money market mutual fund. A non-judgmental, mathematical strategy is applied to the net asset value of each stock and bond fund traded.

Key professionals at the firm, and their years of experience, are Kate Leary Lee, president, 12 years; Carolyn O. Mertens, vice president, 4 years; and Sue Leary, vice president, 2 years.

Lee Asset Management Co.

200 S. 333rd St., Suite 109, Federal Way, Wash. 98003; (206) 838-1026

Lee Asset Management Co., founded in 1989, offers investment management.

It has $40 million under management in equity and fixed-income accounts. The active equity strategy is value-oriented using a bottom-up approach. The passive fixed-income strategy uses interest rate anticipation.

The firm's investment approach is fundamentally oriented, combining price target disciplines and market trends. The equity strategy invests in national names, but also has a strong focus on companies in the West and Northwest.

Key professionals at the firm, and their years of experience, are Laura E. Lee, president, 14 years; Carol M. Angvall, vice president, 20 years; David M. Friedman, vice president, 10 years; and Norman C. Ong, portfolio manager/analyst, 13 years.

Lefcourt Financial Group

2200 Sandhill Road, Menlo Park, Calif. 94025; (415) 854-1255

Lefcourt Financial Group Inc., founded in 1979, offers investment management.

It has $70 million under management in equity accounts. The active equity strategy invests in emerging growth and value stocks, using bottom-up analysis.

The firm's investment approach is to maximize return by investing in undervalued businesses that have significant growth potential.

Key professionals at the firm, and their years of experience, are Carol Lefcourt, chairman, 20 years; Michael Golub, director, 25 years; Jonathan West, portfolio manager, 15 years; and Sandra Moneypenny, portfolio manager, 10 years.

Llama Asset Management

1 McIlroy Plaza, Suite 302, Fayetteville, Ark. 72701; (501) 444-4000

Llama Asset Management, founded in 1988, offers investment management.

It has $138 million under management in fixed-income accounts.

The active fixed-income strategy is value-oriented, using uses sector rotation and top-down analysis. The firm operates in the intermediate area of yield curve, striving for the highest risk-adjusted return while protecting against downside risk.

Key professionals at the firm, and their years of experience, are Alice Walton, president, 18 years; Charles Lanphier, managing director-marketing, 34 years; and Diane E. Gale, managing director-portfolio manager, 10 years.

LM Capital Management Inc.

5560 La Jolla Blvd., Suite E, La Jolla, Calif. 92037; (619) 459-8965

LM Capital Management Inc., founded in 1988, offers investment management.

It has $181 million under management in global fixed-income accounts.

The fixed-income strategy is based on interest rate anticipation, using a global approach to both domestic and international investments. The firm focuses on the supply and demand for money.

Key professionals at the firm, and their years of experience, are Luis Maizel, chief strategist, 7 years; John Chalker, client relations/trader, 11 years; Tobias Gorodzinsky, research analyst, 4 years; Mario Modiano, portfolio manager, 4 years; and Lawrence Cisneros, marketing, 7 years.

MacFarlane Realty Advisors

2150 River Plaza Drive, Suite 255, Sacramento, Calif. 95833; (916) 568-2600

MacFarlane Realty Advisors Inc., founded in 1987, offers real estate advisory services.

It has $860 million under management in real estate using an income strategy.

The firm's investment approach focuses on three key components: a top-down analysis of economic factors that impact real estate and a bottom-up analysis of the real estate markets; a focus on current and short-term yields; portfolio, asset and property mangement.

The firm has expertise in acquisitions, asset management and dispositions, as well as problem management advisory services.

Key professionals at the firm, and their years of experience, are Victor B. MacFarlane, managing principal, 13 years; Pat Holder, principal, 15 years; Bruce Woodward, principal, 22 years; Rick S. Lassiter, principal, 14 years; Peter Kudla, principal, 14 years; Kreg Rowe, principal, 16 years; Pat Reilly, principal, 9 years; Sylvia Missirlian, senior vice president, 15 years; and Tom Klugherz, vice president, 6 years.

The Marshall Plan

31 Milk St., 4th Floor, Boston, Mass. 02109; (617) 482-4640

The Marshall Plan, founded in 1989, offers investment management.

It has $65 million under management in equity accounts. The equity strategy is active growth, emerging growth and occasional rotation among market segments investing in value styles.

The firm's investment approach combines quantitative systems with a disciplined strategy. The firm adds value by using segment selection, investing in better performing market segments; stock selection, using specific models to select stocks within each segment; and implementation, employing innovative trading techniques to minimize costs.

Key professionals at the firm, and their years of experience, are Greta Marshall, principal and chief investment officer, 31 years; Kimberly Ratcliffe, director of research, 6 years; and Linda Frank, director of trading, 6 years.

Minority Equity Trust

c/o Tremont Partners Inc., 30 Pine St., New Canaan, Conn. 06840; (203) 966-4074

Minority Equity Trust, a fund started in 1990, offers investment management.

It has $178 million under management in equity accounts. The equity strategy is active.

The fund is a commingled equity fund using nine investment management firms, all of which are owned and operated by minorities or women.

Bankers Trust Co. is trustee of the fund, responsible for custody, administration and operations.

Key professionals at the firm, and their years of experience, are Sandra Manzke, president, 22 years; Suzanne Hammond, consultant, 16 years; and Cathenne G. Sweeney, consultant, 15 years.

Morgen Capital Management

120 S. Sixth St., Suite 1901, Minneapolis, Minn. 55402; (612) 375-1875

Morgen Capital Management Inc., founded in 1991, offers investment management and investment management consulting.

It has $6 million under management in equity accounts.

The firm emphasizes long-term capital appreciation through investment in high-quality growth stocks and U.S. Treasury and agency obligations. Valuation and quality screens are used to identify quality growth stocks. Issues are sold if they become overvalued or if earnings or other fundamentals deteriorate.

The firm also offers a valuation service designed to provide independent investment professionals with a core list of undervalued stocks to which they can apply their own analytical and portfolio management techniques in building portfolios.

Key professionals, and their years of experience, are Thomas G. Grace, chief investment officer, 28 years; Rodney B. Hare, business development, 13 years; and Joseph O. Tankersley, portfolio manager, 12 years.

Mosa Capital Management

3 Moonshadow, Irvine, Calif. 92715; (714) 854-8792

Mosa Capital Management Inc., founded in 1989, offers investment management.

It has $10 million under management in equity, fixed-income and hedged options accounts. The active equity strategy uses a bottom-up approach, investing in both emerging growth and value stocks. The fixed-income strategy is active, using interest rate anticipation and Treasury notes. The firm uses fundamental and technical analysis, seeking low debt and a good profit history. The base of the bottom-up approach is debt.

Key professionals at the firm, and their years of experience, are Ram Vazirani, president and chief investment officer, 25 years; and Vasanti Vazirani, vice president, 3 years.

MRW Capital Management

1999 Harrison St., Suite 1440, Oakland, Calif. 94612; (510) 273-8540

MRW Capital Management Inc., founded in 1991, offers investment management services.

The firm is investment adviser to The Power Fund, a limited partnership formed to make project-financed investments in power and power-related industries.

The firm has expertise in credit review, loan documentation and deal negotiation, and has extensive experience with leveraged buy-outs and private placements.

The firm is affiliated with MRW Power Partners.

Key professionals, and their years of experience, are Susan Stratton Morse, president, 18 years; Meg Meal, vice president, 4 years; Robert B. Weisenmiller, managing director, 18 years; and Dan Richard, managing director, 15 years.

NCM Capital Management Group Inc.

2 Mutual Plaza, 501 Willard St., Durham, N.C. 27701; (919) 688-0520

NCM Capital Management Group Inc., founded in 1986, offers investment management.

It has $1.2 billion under management in equity and fixed-income accounts.

The firm's investment approach for equities is disciplined and value-oriented. In fixed income, portfolios are kept invested in high-quality securities, and managed within each client's objectives and risk parameters. Balanced accounts are managed toward a relative static asset allocation theat reflects the client's return and volatility expectations.

The firm is a wholly owned subsidiary of Sloan Financial Group.

Key professionals at the firm, and their years of experience, are M.K. Sloan, chairman, president and chief executive officer, 16 years; Cicero Green Jr., senior vice president and chief operating officer, 36 years; Isaac Green, director of research and vice president, 7 years; Clifford Mpare, vice president, 6 years; Susan Ingram, vice president, 6 years; and Quinton Christophe, vice president, 15 years.

Newgate Management Associates

314 W. 78th St., New York, N.Y. 10024; (212) 496-2443

Newgate Management Associates, founded in 1982, offers investment management.

It has $115 million under management in equity and fixed-income accounts, with a focus on emerging markets.

The firm manages global equity, balanced and fixed-income portfolios using closed-end funds. The universe is composed of more than 700 closed-end funds listed on the London and North American stock exchanges. Investment decisions are based on fund performance, volatility, discount from net asset value and geographic distribution.

Key professionals, and their years of experience, are Sonia Rosenbaum, partner, 12 years; and George Foot, partner, 17 years.

ORO Financial Inc.

4037 Tulane Ave., Suite 100, New Orleans, La. 70119; (504) 482-4116

ORO Financial Inc., founded in 1987, offers brokerage and investment banking services.

The key professional at the firm is Miguel Una, president and chief executive officer, with 30 years of experience.

Potomac Investment Co.

1331 H St. N.W., Suite 300, Washington, D.C. 20005; (202) 638-0902

Potomac Investment Co., founded in 1983, offers investment management and brokerage services.

It has $20 million under management in equity and fixed-income accounts. The equity strategy is value-oriented, top-down and sector rotational. The fixed-income strategy is active and top-down. The firm's investment objective is to produce superior returns over a market cycle while employing methods that stress the avoidance of risk.

As a broker/dealer, the firm has expertise in fixed-income and equity trades for institutional investors.

The firm is affiliated with WFG Investment Management.

Carol Greenwald, president, has 9 years of experience.

Precision Asset Management

1299 Ocean Ave., Suite 105, Santa Monica, Calif. 90401; (310) 394-5756

Precision Asset Management, founded in 1989, offers investment management.

It has $11 million under management in equity and fixed-income accounts. The equity strategy is quantitative, focusing on fundamentals and emphasizing earnings-per-share acceleration. The fixed-income strategy is active using quantitative evaluation of the yield curve, inflation, maturities and sector returns.

The firm's selection process evaluates about 200 companies based on fundamental trends: profit growth profitability, earnings surprise, earnings revisions and valuation.

The firm is affiliated with Renaissance Investment Management Inc.

Key professionals at the firm, and their years of experience, are Joe E. Ransom, president and chief executive officer, 19 years; Deborah J. Smith, vice president-client services, 6 years; Darrell R. Williams, vice president-client services, 7 years; and Edward D. Shanklin Jr., assistant vice president and research assistant, 2 years.

Progress Investment Management Co.

71 Stevenson St., Suite 1430, San Francisco, Calif. 94105; (415) 512-3480

Progress Investment Management Co., founded in 1990, offers investment management.

It has $355 million under management in equity and fixed-income accounts.

The firm specializes in structuring and managing emerging minority/woman manager funds. As a manager of managers, the firm is currently responsible for managing the progress trusts, which consist of an equity and fixed-income fund, employing several investment styles. It also manages two separate accounts implementing a more customized approach.

Key professionals and their years of experience are: Edwin C. Callan, chairman, 25 years; Marx L. Cazenave, president and chief executive officer, 10 years; Thurman White, chief operating officer, 1 year; Clayton C. Jue, senior vice president, 3 years; and Stanley P. Francois, vice president, 1 year.

Pryor, McClendon, Counts

1360 Peachtree St. N.E., Suite 880, Atlanta, Ga. 30309; (404) 875-2161

Pryor, McClendon, Counts & Co. Inc., founded in 1981, offers investment banking, investment management and brokerage services.

The firm has $105 million under management. The equity accounts, which focuses on earnings momentum, stability and relative strength, are managed by the firm's Wedgewood Equities Inc. subsidiary. The fixed-income portfolios, which use a duration approach, are run by the firm's Wedgewood Capital Management unit.

The firm has expertise in investment banking and brokerage.

Key professionals at the firm, and their years of experience, are Malcolm D. Pryor, chairman, 20 years; Raymond J. McClendon, vice chairman, 18 years; Allen W. Counts, president, 20 years; William Astrop, director, 30 years; Darryl Dennis, director, 10 years; Evan T. Booker, senior vice president, 8 years; and Michael L. Lucas, portfolio manager and vice president, 9 years.

V.A. Reid & Associates

8 E. Hamilton St., Baltimore, Md. 21202; (410) 332-0893

V.A. Reid & Associates, founded in 1987, offers investment management.

It has $102 million under management in fixed-income accounts. The fixed-income strategy is active and top-down, maintaining a high degree of principal stability and a steady stream of current income. The goal is to outperform a predetermined benchmark through the use of appropriate maturity and industry selections, superior credit analysis and trading expertise.

The firm has expertise in investment of quasi-bond and money market portfolios.

Key professionals and their years of experience are: Vernon A. Reid Jr., principal, 14 years; and Deborah L. Stallings, vice president, 13 years.

Reinoso Asset Management

30 Broad St., New York, N.Y. 10004; (212) 344-3646

Reinoso Asset Management, founded in 1990, offers investment management.

It has $83 million under management in equity accounts. The strategy is bottom-up stock selection based on fundamental analysis and comparative value labels as well as size generalizations. The firm buys when long-term fundamentals are strong and the price is a value compared to the quality and cyclicality of the company. It aims for up to 40 stocks of medium and large capitalization.

Key professionals at the firm and their years of experience are: Edward J. Reinoso, chairman, 22 years; Ernest N. Mysogland, president and chief investment officer, 25 years; Stephen Kovacs, vice chairman, 40 years; and Jon K. Cartwright, senior vice president, 11 years.

RhumbLine Advisers

30 Rowes Wharf, Suite 350, Boston, Mass. 02110; (617) 345-0434

RhumbLine Advisers, founded in 1990, offers investment management.

It has $153 million under management in equity accounts. The firm's investment approach is quantitative in nature and replicates the commonly accepted indexes used to track both the domestic and international markets. It also offers enhanced hedging products.

Key professionals, and their years of experience, are J.D. Nelson, chief executive officer and managing director, 12 years; Ronald A. Golz, managing

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director, 15 years; Wayne T. Owen, director of marketing, 12 years; John A. Denney, director of investments, 10 years; and Bing Sung, chief investment officer, 18 years.

San Juan Management Inc.

16521 Grunlow Road, Suite 304, Huntington Beach, Calif. 92649; (714) 840-0220

San Juan Management Inc., founded in 1989, offers brokerage and domestic and international institutional equity research.

The firm has expertise in institutional equity research and institutional execution capabilities.

Key professionals, and their years of experience, are John Lopez, chief investment officer, 15 years; and James Boothe, investment officer, 12 years.

Sauceda & Granville Securities Inc.

1515 S. Tejon St., Suite 201, Colorado Springs, Colo. 80906; (719) 633-8770

Sauceda & Granville Securities Inc., founded in 1990, offers brokerage services.

The firm is a full service broker dealer. It has expertise in timely execution of domestic and international equities, fixed-income, mutual funds, life and variable insurance products and real estate investment trusts.

Key professionals at the firm, and their years of experience, are: Martha Weimar Granville, 20 years; Marcus Weimar Granville, board of directors, 6 years; Benito Sauceda III, president, 6 years; and Richard Albert Litzman, principal-financial operations, 6 years.

Muriel Siebert & Co. Inc.

444 Madison Ave., Suite 205, New York, N.Y. 10022; (212) 644-2400

Muriel Siebert & Co. Inc., founded in 1967, offers investment banking, brokerage and underwriting.

The firm provides institutional equity trading services, including executions at discounted commission rates and soft dollar arrangements. It underwrites various taxable and non-taxable securities including equities, municipals, government agency and mortgage-backed debt. The firm also trades equities and fixed-income securities on the secondary market.

Key professionals at the firm, and their years of experience, are Muriel Siebert, president and chairperson, 30 years; Curtis Harris, investment banking, 7 years; Lynnelle Jones, mortgage-backed sales, 10 years; Richard Bieber, institutional equity trading, 10 years; and Ameen Esmail, marketing, 10 years.

Sit Investment Associates

4600 Norwest Center, 90 S. Seventh St., Minneapolis, Minn. 55402; (612) 332-3223

Sit Investment Associates Inc., founded in 1981, offers investment management.

It has $4.372 billion under management in equity and fixed-income accounts. The equity strategy is active for both domestic and international markets. It is top-down and bottom-up, using sector rotation, emerging growth and growth styles. The fixed-income strategy is active, using interest rate anticipation and stable returns styles.

The firm sponsors and manges Sit "New Beginnings" Mutual Funds. It is a joint partner in Sit:Kim International Investment Associates.

Key professionals at the firm, and their years of experience, are Eugene C. Sit, president, 29 years; Peter L. Mitchelson, executive vice president, 23 years; and Michael C. Brilley, vice president, 23 years.

Sit/Kim International Investment Associates Inc.

4600 Norwest Center, 90 S. Seventh St., Minneapolis, Minn. 55402; (612) 332-3223

Sit:Kim International Investment Associates Inc., founded in 1989, offers investment management services.

It has $145 million under management in international equity accounts.

The firm is a thematic growth investor, searching for above-average growth by interpreting geopolitical trends and evaluating longer term investment implications.

The firm is majority owned by Sit Investment Associates Inc.

Key professionals at the firm and their years of experience are Andrew B. Kim, president and chief investment officer, 27 years; Eugene C. Sit, chairman-U.S. investments, 29 years; Peter L. Mitchelson, executive vice president-Canada, 22 years; Charles S. Roberts, vice president-Europe/Latin America, 20 years; and Richard S. Yeung, vice president-Asia Pacific, 21 years; Peter S. Yeh, trader and analyst, 3 years; and Barbara Mascarelli, analyst-Europe, 5 years.

Sloate, Weisman, Bear, Stearns Capital Management Inc.

245 Park Ave., New York, N.Y. 10167; (212) 310-0800/272-3188

Sloate, Weisman, Bear, Stearns Capital Management Inc., founded in 1992, offers investment management.

The firm offers equity and fixed-income management. The equity strategy is active, using a bottom-up approach with emerging growth and value stocks. The fixed-income strategy is active and value-oriented.

The firm is majority owned by Sloate, Weisman, Murray & Co. Inc., with minority ownership by Bear Stearns Cos. Inc.

Key professionals at the firm and their years of experience are Laura J. Sloate, president, 23 years; and Carol Bellamy, chairman, 7 years.

Smith, Graham & Co.

3 Allen Center, 333 Clay St., Suite 4470; Houston, Texas 77002; (713) 739-1113

Smith, Graham & Co., founded in 1990, offers investment management.

It has $103 million under management in fixed-income accounts.

The strategy is active and sector rotational, using the highest quality domestic securities. The firm uses quantitative analysis to determine the appropriate market cycle and sector weighting.

Key professionals at the firm, and their years of experience, are Gerald B. Smith, chief executive officer, 17 years; Ladell Graham, president and chief investment officer, 8 years; and Jamie G. House, senior vice president, 8 years.

Smith, Townsend & Associates Ltd.

209 S. LaSalle St., Chicago, Ill. 60604; (312) 464-7322

Smith, Townsend & Associates Ltd. offers brokerage and investment management consulting.

The firm has expertise in futures, commodities and foreign exchange trading. In foreign exchange it offers: direct dealer-desk access to the interbank market, 24-hour trading with a toll-free number, daily technical research and market makers in overnight and forward contracts.

Rosenthal-Collins Group is the guarantor and correspondent clearing firm for brokerage activities.

Key professionals at the firm and their years of experience are principals Mark S. Smith, 10 years, and Luke Townsend, 11 years.

Solon Asset Management

1000 Main St., New Rochelle, N.Y. 10801; (914) 576-5802

Solon Asset Management Corp., founded in 1990, offers investment management.

It has $150 million under management in active fixed-income accounts. The firm focuses on mortgage- and asset-backed securities, using a top-down, value-oriented approach.

The firm also offers consulting on asset-liability management, mortgage- and asset-backed security analysis and analytics systems.

Key professionals at the firm, and their years of experience, are Deborah Hicks Midanek, chief executive officer, 12 years; and James I. Midanek, chief investment officer, 12 years.

Sound Capital Inc.

1212 E. Newton St., Seattle, Wash. 98102; (206) 328-9251

Sound Capital Inc., founded in 1992, offers investment management, investment banking and investment management consulting.

The firm offers an active, quantitative fixed-income approach. It invests in Aaa rated U.S. government and mortgage-backed securities that are selected using a portfolio optimization technique. Hedging is used when appropriate.

The firm provides investment banking services in structuring financings for multifamily projects, and consulting services to municipal entities in maximizing investment of bond proceeds.

The firm is a joint venture between Sound Finance Group Inc. and Eastbridge Capital Inc.

Key professionals at the firm, and their years of experience, are Paul DeRosa, director-investment management committee, 20 years; Laurie Goodman, portfolio manager, 12 years; Winifred Whitfield, managing director-marketing, 5 years; and Joan Egan, managing director-marketing and consulting, 12 years.

Sturdivant & Co. Inc.

130 N. Broadway, Suite 1007, Camden, N.J. 08102; (609) 365-8884

Sturdivant & Co. Inc., founded in 1986, offers investment management and brokerage services.

It has $85 million under management in domestic equity accounts.

The equity strategy is bottom up and value based. It uses arbitrage pricing theory to value companies, establish asset allocations, weights and tilts.

The firm seeks to provide brokerage clients with rapid stock execution while consistently achieving high levels of accuracy and timeliness. Its primary clearing relationship is with Bear Stearns Inc., but the firm usos multiple relationships.

Key professionals at the firm and their years of experience are Ralph A. Sturdivant, chairman, 17 years; Albert A. Sturdivant, president, 18 years; Managing Directors Lorraine M. Howard, 19 years; Bufus Outlaw Jr., 8 years; and Harvey R. deKrafft, 8 years; Robert P. Dainesi, vice president, 8 years; Janis L. Holloway, vice president, 3 years; and Albert E. Voorhees, assistant vice president, 2 years.

Taplin, Canida & Habacht

1001 S. Bayshore Drive, Suite 2100, Miami, Fla. 33131; (305) 379-2100

Taplin, Canida & Habacht, founded in 1985, offers investment management.

It has $350 million under management in domestic equity and fixed-income accounts. The equity strategy is active, bottom-up and value-oriented, using a blend of quantitative analysis and qualitative research to find stocks undervalued on an earnings and/or asset valuation basis. The fixed-income strategy uses interest rate anticipation, emphasizing high-quality, intermediate maturities.

Key professionals at the firm, and their years of experience, are Tere Alvarez Canida, president, 15 years; Alan M. Habacht, principal, 23 years; and William J. Canida, principal, 17 years.

TIS Asset Management Inc.

655 Montogomery St., Suite 800, San Francisco, Calif. 94111; (415) 393-8000

TIS Asset Management Inc., founded in 1984, offers investment management.

It has $150 million under management in fixed-income accounts. The investment strategy is active, top-down and value-oriented, using mortgage-backed securities and derivatives.

Key professionals at the firm, and their years of experience, are Patricia Howe Ellison, chairman, 30 years; Lorraine O. Legg, president and chief executive officer, 28 years; and John E. Castello, chief investment officer, 17 years.

United Capital Group

141 W. Jackson Blvd., Suite 1800A, Chicago, Ill. 60604; (312) 341-7824

United Capital Group, founded in 1990, offers investment management and brokerage services.

Equity management uses market neutral strategies using derivative products. The fixed-income strategy is active, using domestic short-term funds.

The firm has expertise in equity, debt and futures brokerage on all domestic markets on either a hard- or soft-dollar basis. Investment management consulting is offered on short-term cash management strategies and operations for public agencies and pension plans.

The firm consists of United Capital Group Inc., United Capital Futures Inc., United Capital Asset Management Inc. and United Capital Cash Management Inc. United Capital Cash Management has established a joint venture with Brenner Securities Corp.

Key professionals, and their years of experience, are: J.P. Milili, president, 12 years; Eugene Sawyer, executive vice president, 21 years; William Watts, executive vice president, 7 years; Nolan Cheng, chief operating officer, 15 years; Powell Cabot, managing director; David A. Rose, executive vice president, 29 years; Harry C. Bailey, executive vice president, 13 years; Patricia Downs, vice president, 16 years.

United Daniels Securities

170 Broadway, New York, N.Y. 10038; (212) 227-7723

United Daniels Securities Inc., founded in 1984, offers investment banking and brokerage services and small-cap equity research. An investment management firm will be started in June.

The firm has expertise in small-cap and proxy research, municipal financing, government and agency securities, and equity execution.

Key professionals at the firm and their years of experience are Willie L. Daniels, president, 31 years; and Derek Washington, senior vice president, 8 years.

Valenzuela Capital Management Inc.

14 Wall St., 18th Floor, New York, N.Y. 10005; (212) 227-3590

Valenzuela Capital Management Inc., founded in 1989, offers investment management.

It has $157 million under management in domestic equity accounts. The equity strategy emphasizes growth stocks. The firm looks for companies undergoing strong rates of change in earnings, cash flow and returns. The portfolios emphasize but are not limited to companies with market capitalizations of less than $2 billion.

Key professionals at the firm and their years of experience are Thomas M. Valenzuela, president, 13 years; and Manko O. Gordon, vice president, 7 years.

ValueQuest Ltd.

Roundy's Hill, Marblehead, Mass. 01945; (617) 631-5508

ValueQuest Ltd., founded in 1982, offers investment management.

It has $414 million under management in equity accounts. The equity strategy is active, seeking value through a contrarian, bottom-up approach. The firm concentrates on the most inefficiently priced quintile of the market, in terms of undervalued earnings, assets and quality. Focus is upon intrinsic value, using quantitative tools and fundamental analysis.

Key professionals at the firm, and their years of experience, are Katherine Busboom Magrath, partner and chief investment officer, 29 years; Terrence B. Magrath, partner and chief executive officer, 23 years; John C. Moore Jr., senior investment professional, 27 years; Lawrence G. Franko, associate and senior investment professional, 19 years; Edward A. Gray, investment professional, 5 years; and Nancy L. Sexton, investment professional, 7 years.

Vismale & Associates

70 Fairlie St., Suite 520, Atlanta, Ga. 30303; (404) 420-9497

Vismale & Associates, founded in 1990, offers investment banking, brokerage and investment management consulting services.

The firm markets financial services of minority and emerging brokerage firms, minority and majority investment banking firms (public finance), and minority and majority investment management firms. It provides research, software and consulting services in conjunction with majority firms. It has expertise in real estate portfolio modeling, economically targeted investing and minority vendor program development.

Key professionals at the firm and their years of service are Calvin F. Vismale Jr., president, 6 years; and John Williams, director of research, 12 years.

Vydex Management Group

125 Worth Ave., Palm Beach, Fla. 33480; (407) 659-3288

Vydex Management Group Inc., founded in 1981, offers investment management, brokerage and investment management consulting.

It has $12 million under management in equity and fixed-income accounts. The equity strategy is value-oriented and bottom-up. The fixed-income strategy is active.

The firm has expertise in monitoring and analyzing the performance and investment strategy of portfolio managers. Its brokerage services include trading in domestic and foreign equity and fixed-income securities.

Key professionals at the firm, and their years of experience, are Pearlena Wallace, president, 11 years; and Sharon G. King, senior manager, 8 years.

Wall Street Investment Corp.

1275 K St. N.W., Suite 1000, Washington, D.C. 20005; (202) 289-3220

Wall Street Investment Corp., founded in 1981, offers investment banking and brokerage.

The firm is an investment banking concern, general securities broker/dealer and underwriter. Transactions are cleared through a NYSE member firm.

Key professionals at the firm, and their years of experience, are B.E. Bayus, senior vice president-compliance, 20 years; R.A. Boytano, vice president-municipals, 30 years; C.H. Dittbrenner, senior vice president-wholesale, 20 years; D.W. Hall, vice president-municipals, 20 years; V.C. Knight, vice president-corporate finance, 15 years; G.H. Starke Jr., president, 20 years; and R.E. Toolan, senior vice president-general securities, 30 years.

Ward/M&C Asset Management Inc.

3910 Georgia-Pacific Center, 133 Peachtree St. N.E., Atlanta, Ga. 30303; (404) 524-3900

Ward/M&C Asset Management Inc., founded in 1989, offers investment management.

It has $24 million under management in domestic equity and fixed-income accounts. The equity strategy uses a top-down approach for asset allocation, growth and bottom-up for the investment process. The fixed-income strategy is active and uses sector rotation, interest rate anticipation and duration/sector selection management.

The firm is affiliated with Ward and Associates Inc.

Key professionals at the firm and their years of experience are Felker W. Ward, chairman and chief executive officer, 6 years; Solon P. Patterson, vice chairman, 33 years; Dave Seng, president, 26 years; and Charles J. Johnson, executive vice president, 2 years.

Washington Hackett, Smith

147 Carondelet St., Suite 1125, New Orleans, La. 70130; (504) 865-1118

Washington Hackett, Smith & Co., founded in 1988, offers investment management consulting.

The firm's key expertise in evaluating new firms and determining their viability based on the verifiable track records of their principals.

The firm offers minority- and women-owned investment manager evaluation and selection, implementation of minority and local manager farm teams, planning and implementation of affirmative action policies and legislation with regard to investment management.

Key professionals at the firm, and their years of experience, are Christian M. Washington, principal, 9 years; and Toni Hackett Antrum, principal, 10 years.

Wedgewood Capital Management Inc.

1350 I St. NW, Suite 830, Washington, D.C., 20005; (202) 408-1550

Wedgewood Capital Management Inc., founded in 1987, offers investment management.

It has $100 million under management in domestic fixed-income accounts.

The firm combines sector rotation and duration shifts with highly advanced technological capabilities. Its approach hinges on the development of customized strategies designed to meet client objectives.

Key professionals at the firm and their years of experience are Raymond J. McClendon, chairman, 16 years; Allen W. Counts, vice chairman, 18 years; Malcolm D. Pryor, president, 18 years; Daryl C. Dennis, chief investment officer, 6.5 years; Clarissa E. Parker, assistant portfolio manager, 5.5 years; and Danna Maller, director of marketing, 1 year.

Wedgewood Equities

1360 Peachtree St. N.E., Suite 881, Atlanta, Ga. 30309; (800) 989-3343

Wedgewood Equities, founded in 1991, offers investment management.

The equity strategy is eclectic, with special focus on growth, earnings momentum and stability. It features three domestic portfolio services, concentrating on large-cap, emerging companies, and growth regardless of market capitalization.

The firm is affiliated with Pryor, McClendon, Counts Holding Co.

Key professionals, and their years of experience, are William B. Astrop, chief investment officer, 20 years; and Michael L. Lucas, assistant portfolio manager, 10 years.

Westwood Management

300 Crescent Court, Suite 1110, Dallas, Texas 75201; (214) 871-6970

Westwood Management Corp., founded in 1983, offers investment management.

It has $1 billion under management in equity, fixed-income and mutual fund accounts.

The firm is risk conscious, using a top-down sector rotation methodology. It stresses principal preservation in four distinct product offerings: defensive equity, balanced, fixed income and fully invested equity. It offers separate accounts, customized index funds and a family of mutual funds.

Key professionals at the firm, and their years of

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experience, are Susan M. Byrne, president and chief executive officer, 21 years; David W. Jennings, executive vice president, 21 years; Francine J. Bovich, senior vice president, 19 years; and Patricia R. Fraze and Charles E. Gaecke, both vice presidents with 21 years.

Whitehorne & Co. Ltd.

445 Park Ave., New York, N.Y. 10022; (212) 755-5400

Whitehorne & Co. Ltd., founded in 1991, offers investment banking and brokerage.

The firm is a full-service securities firm serving institutional clients. It is licensed to deal in any publicly registered or privately placed security, including options, warrants, futures and emerging market products.

Broadcort Capital Corp. is the clearing agent.

Key professionals at the firm and their years of experience are Leila C. Jenkins, president, 17 years; Michael D. Walraven, vice president and head trader, 18 years; Ann M. Ginsburg, vice president and international economist, 5 years; and Carol L. Zatorski, assistant trader, 5 years.

Willowbridge Associates Inc.

315 Enterprise Drive, Suite 102, Plainsboro, N.J. 08536; (609) 936-2615

Willowbridge Associates Inc., founded in 1988, offers investment management.

It has $120 million under management in currency overlay and futures and options accounts.

The firm has expertise in quantitative research on currencies and derivatives, development of expert systems to trade global currencies, commodities and options, and trade execution. It offers a diversified managed futures investment program.

Key professionals, and their years of experience, are Michael Y. Gan, chief executive and president, 10 years; James O'Donnell, director of research, 11 years; and Theresa Morris, director of marketing, 11 years.

WILMOCO Capital Management

400 Monroe St., Suite 400, Detroit, Mich. 48226; (313) 963-1340

WILMOCO Capital Management, founded in 1990, offers investment management.

It has $16 million under management in equity and fixed-income accounts. The equity strategy is value-oriented and bottom-up. The fixed-income strategy is passive.

The firm seeks stocks of high-quality, undervalued companies that are misunderstood or ignored by the market. For fixed-income, bonds are selected that offer adequate return and capital preservation.

Key professionals at the firm and their years of experience are Howard Morris, chief investment officer, 3 years; and Carl Smalls, vice president-investments, 3 years.

Denis Wong & Associates

1314 S. King St., Suite 1057, Honolulu, Hawaii 96814; (808) 537-9931

Denis Wong & Associates Inc., founded in 1983, offers investment management.

It has $125 million under management in equity and balanced accounts. The equity strategy is active and bottom-up, focusing on value and growth. The fixed-income strategy is passive using laddered maturities.

Key professionals, and their years of experience, are Denis Y. Wong, president and chief investment officer, 33 years; Andrew T.F. Ing, chairman of the board, 46 years; and Brian H. Morikuni, vice president, 8 years; and John Roberts, senior equity analyst, 5 years.

Woodford Capital Management Inc.

535 Fifth Ave., 17th Floor, New York, N.Y. 10017; (212) 599-1243

Woodford Capital Management Inc., founded in 1990, offers domestic equity investment management.

The firm is an active growth manager with portfolios structured based on a proprietary research system. Top-down analysis guides the investment strategy and asset allocation. Bottom-up fundamental perspectives determine final selection. It focuses on earnings growth and perception of emerging secular and cyclical trends.

Key professionals at the firm and their years of experience are Peggy Woodford Forbes, president and chief investment officer, 16 years; and Michael E.S. Gayed, director of research, 11 years.

Yaeger Securities Inc.

16633 Ventura Blvd., Suite 1220, Encino, Calif. 91436; (818) 377-6300

Yaeger Securities Inc., founded in 1981, offers investment banking and brokerage.

The firm is a full-service, broker-dealer, providing institutional order execution, research and investment advisory services to investment managers. It has expertise in block equity and fixed-income transactions on all domestic and global exchanges and in-house proprietary fundamental research.

Key professionals at the firm and their years of experience are Norma Yaeger, president and chief executive officer, 29 years; Judy D. Joseph, chief financial officer, 15 years; Robert Judson Smith, director-institutional fixed income, 23 years; Ray C. Baker, senior vice president-equity trading, 30 years; and Kathryn King, marketing director, 9 years.

Norman L. Yu & Co. Inc.

180 Newport Center Drive, Suite 180, Newport Beach, Calif. 92660; (714) 720-8470

Norman L. Yu & Co. Inc., founded in 1969, offers investment management.

It has $150 million under management in domestic equities. The firm's bottom-up investment approach emphasizes stocks with outstanding growth potential that pass six hurdles: potential growth rate; quality of earnings; accelerating earnings momentum; price-earnings to quality relationship; technical position; and buying momentum.

Norman L. Yu, president, has 37 years of experience.

Zevenbergen Capital Inc.

2434 Two Union Square, 601 Union St., Seattle, Wash. 98101; (206) 682-8469

Zevenbergen Capital Inc., founded in 1987, offers investment management services.

It has $185 million under management in domestic equity accounts. The equity strategy is an active, bottom-up one that employs growth and emerging

Continued on page 28

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- *Marketing Nuggets: Prospecting for New Business*
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Baldt a powerful force at Morgan Grenfell

By Terry Williams

PHILADELPHIA — David Baldt is a soft-spoken man with small-town sensibilities. But his fixed-income performance speaks loudly, and his assets under management are big time.

Since July 1989, when he started Morgan Grenfell Capital Management Inc.'s fixed-income division, Mr. Baldt has brought in $1.8 billion. The division now has 24 clients, half of which came on board in 1991, according to Mr. Baldt.

The growth, he says, is "way beyond what I thought."

The reason so much money in so short a time has found Mr. Baldt is his performance. In each of the past seven years, he has surpassed the Salomon Brothers Broad Investment Grade Index.

Even Mr. Baldt's competitors privately acknowledge his success in both outperforming the indexes and taking prospective clients away from them.

As a believer in the efficient market hypothesis, Mr. Baldt has little regard for interest rate anticipation or credit risk analysis, yet he is steadfastly an active manager.

"We analyze each bond as a contract," Mr. Baldt said, describing his investment process. "We believe every contract can be evaluated so you can come up with a target yield for every bond.

"You start with the risk-free U.S. Treasury contract and then, based on traditional fundamental credit analysis, derive a target yield on each issue. The job then is comparing these intrinsic values with actual market yield levels. Where there is a difference, we want to exploit it.

"Our strength comes from being able to identify how those inefficiencies come about."

The inefficiencies result from a number of factors, including supply and demand movements, rigid investment parameters applied by investors and emotional reactions to events, according to Mr. Baldt.

He said one source of inefficiently priced bonds is government-guaranteed securities. Up to 70% of his portfolio is made up of such bonds; the balance is in Treasuries.

Mr. Baldt doesn't buy corporates. "We won't expose ourselves to the possibility of a leveraged buy-out. You can't pay us enough to do that."

Mr. Baldt's purchases include guaranteed trust certificates, bonds to develop housing for lower- and middle-income families and bonds that subsidize shipbuilding.

One security recently purchased was a General Services Administration Leased Revenue Bond for Burlington County, N.J. "Most fixed-income managers would say it's not a government agency bond," said Mr. Baldt. "You have to do a little more research work" in the bond indenture. . . . It doesn't look as gilt-edged as something that says U.S. Treasury note."

The Morgan Grenfell staff was comfortable the U.S. government would fulfill its lease obligations, thus the bond could be viewed as government agency debt. It also pays almost one full percentage point more than a plain U.S. Treasury note. "We think it's an inefficiency that people want to stick with the tried-and-true vanilla-type bonds when we can pick up more yield in what we believe to be a strong United States of America AAA credit," he said.

Although he is confident the securities fueling his strong returns will continue to be available, Mr. Baldt's competitors question whether he will continue to shine as his assets under management grow. The more money he has to put to work, they say, the tougher the job of maintaining such high performance.

One competitor — who grudgingly but sincerely praises Mr. Baldt — said as Mr. Baldt's assets under management increase, "he won't be able to find enough (bonds) to add value as in the past.

"He will start doing other things like interest-rate anticipation," said the manager, who asked to remain anonymous.

JONATHAN WILSON

David Baldt has brought in almost $2 billion to Morgan Grenfell since mid-1989.

"Sheer size will force him to do it, and that will bring him back to the average, or he'll keep pounding out 20-hour days."

Mr. Baldt said the question of whether he will continue to outperform is valid.

"The answer is one that time is going to prove," he said. "To this point, as we have grown over the years, I haven't yet run into size constraints.

"He's correct that I haven't run vast amounts for any long periods of time," Mr. Baldt said. "But my job is easier because the government is issuing so much debt. So that should help out."

Mr. Baldt believes limits to additional growth will be determined only by the number of portfolio managers that can be supervised effectively.

"I have in my mind that you can't grow beyond five portfolio managers. We have three at this point," he said.

Mr. Baldt's pension fund clients certainly aren't worried.

"Are you asking did we chase the market?" asked Henry T. Vry, executive secretary of the $164 million Grand Rapids (Mich.) Police/Fire Retirement System. "I don't think we did. If we had those concerns, a different decision would have been made," said Mr. Vry, whose fund has $32.7 million managed by Mr. Baldt.

"The more we work with (fixed income) it becomes obvious that the bond market is increasingly inefficient, and good managers will capitalize on this," he said.

The $19.3 billion Pennsylvania Public School Employes' Retirement System, Harrisburg, was an early client of Mr. Baldt's and now has about $200 million under his management. "I think there are enough instruments out there, and he will be able to continue to do it," said John Lane, chief investment officer for the Pennsylvania fund. "I haven't seen any falloff in performance."

Mr. Baldt's rise on the performance charts began when he was a portfolio manager with Delaware Trust of Wilmington, Del., where he worked for 16 years.

A small bank, Delaware Trust had an outsized trust department because of the presence of the du Pont family and its business. There, Mr. Baldt managed $1.9 billion in the same strategy he now uses at Morgan Grenfell.

But if it was at Delaware Trust that Mr. Baldt refined his strategy, the groundwork was laid earlier, as a research assistant with New York-based broker, Laird Inc..

"I started out working in the research department doing stock and bond yield studies for the director of research," Mr. Baldt said.

"I was in effect his statistician. I was lucky to be given a broad look at everything from the start, instead of being pigeonholed in a small area."

But two years of the New York grind was all the suburban Philadelphia native could handle.

In fact, before joining Morgan Grenfell, Mr. Baldt requested he be allowed to work in Philadelphia, although the firm is based in New York.

"How relaxing is it to sit in a tunnel under a river for an hour while the conductor tells you, 'We are having signal problems'? I wanted to save my energy for the job."

It was in New York where Mr. Baldt first began to challenge the basic tenets of fixed-income money management: the interest rate forecast.

Mr. Baldt clipped a survey of leading economists' predictions on interest-rate performance. He referred to it six months and one year later. "They were far from right."

"The (interest rates) are the primary tool, and it doesn't do the job. That told me you couldn't use that tool."

Mr. Baldt estimates most fixed-income managers spend at least two-thirds of their time forecasting interest rates.

"I had a CFA program which said interest rates reflect everything that's known about the world, and today's interest rate is correct based on today.

"The next move is based on the future and you can only guess on it," he said.

"So people are spending two-thirds of their time coming up with that.

"We aren't spending two-thirds of our day on something that's not going to add value." ■

Del Monte steps into new light

By Curtis Vosti

SAN FRANCISCO — Del Monte Foods Co., reborn in a 1990 leveraged buy-out, finally has forged a new identity for its $500 million in employee benefit assets from RJR Nabisco Inc.

Del Monte has been working to establish its own approach to managing its $260 million in defined benefit assets and $240 million in defined contribution assets.

The process neared completion with the January hiring of six bond and six equity managers to run the defined benefit assets and the decision to end its cloning of the RJR defined contribution plan. The process will be complete in April, when Del Monte will hire Merrill Lynch to provide mutual fund investment options for its 401(k) plan, according to Richard E. Forster, assistant treasurer for Del Monte.

Mr. Forster declined to reveal the defined benefit managers "until the dust has settled," probably in the second quarter. The bond managers have been funded immediately and the equity managers will be funded gradually through dollar cost averaging.

"Now that we're on our own, we'll be doing everything," he said. He conducted an in-house search for the managers using the data base of William M. Mercer Inc., which had done an asset liability study and had assisted in the valuation of the liabilities during the 1990 pension fund negotiations between Del Monte and RJR.

Del Monte has four defined benefit plans, two of which account for more than 99% of the assets. One of those, which is heavily driven by retiree liabilities, has a target of 20% equities, he said, while the other main plan, heavily composed of younger, active employees, will have a target mix of between 60% and 70% in equities. The overall target mix of the combined funds' assets will be 40% stocks and 60% bonds, Mr. Forster said.

The equity managers, all domestic, will include just a small portion of indexed assets, he said. International investments, small-capitalization stocks and high-yield bonds are likely candidates for future diversification.

While establishing the defined benefit plan was a complicated procedure, the defined contribution transfer was much easier because of the nature of participant accounting.

"That came across pretty easily," Mr. Forster said. Del Monte established a clone of the RJR plan, offering a GIC, general stock, growth stock and real estate fund.

The transfer of the two stock funds through The Vanguard Group Inc. and the real estate fund that invested in an Equitable Real Estate Investment Management Inc. fund was easy, he said. The transfer of the GIC fund, which held contracts from 12 issuers, was a little more complicated. The solution was to basically split each of the more than 24 contracts in two.

Once the defined contribution plan was established, Mr. Forster and consultants could work on hiring vendors. Merrill Lynch will be brought on board for two stock funds, he said. The GIC and realty funds will continue. Wachovia Bank will remain trustee. ■

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Zevenbergen

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growth stocks. The approach is based on the belief that earnings drive stock prices and quality protects. Portfolios are constructed with companies showing above-average earnings growth prospects and strong financials.

Key professionals at the firm and their years of experience are Nancy A. Zevenbergen, president, 11 years; and Linda C. Selegue, vice president, 18 years.

Appeal

Continued from page 2

rency and couldn't distribute whole properties in lieu of cash if any of the pension funds objected to the withdrawal method. Eight of the 45 investors in Fund F did object.

In their appeal, bank lawyers said if the fund had to raise cash to meet withdrawal requests from 16 pension funds, the result would be a "fire sale" of some of the 60 properties in Fund F and new losses to the investors.

Bank lawyers also said investors warned them even more pension funds would try to withdraw from Fund F if First Chicago contemplated a fire sale that would hurt the fund financially.

Investors in Fund F include the pension funds of The Boeing Co., General Motors Corp., B P America Inc., Caterpillar Inc. and the Illinois Municipal Retirement Fund.

Despite the bank's warning about a possible fire sale, the appeals court justices said the bank may choose between selling in a depressed market or giving the pension funds fractional interests in each of the properties.

In the appeal, bank lawyers said fractional ownership would create an administrative nightmare in which administration costs would rise — worsening already poor performance — and make the properties even more difficult to sell.

Illinois Municipal is trying to withdraw the single largest amount from Fund F — $41 million. Illinois Municipal officials still are evaluating the appeals court decision, said Louis Kosiba, director of the legal department at the Illinois Municipal fund.

Mr. Kosiba said he believes the decision strengthens his fund's lawsuit against First National Bank of Chicago, First Chicago Investment Advisors and Brinson Partners Inc., Chicago. (First Chicago Investment Advisors is a wholly owned subsidiary of the bank that managed Fund F. Some key executives of FCIA left in 1989 to form Brinson Partners, which got management responsibility for Fund F that same year.)

"The bank never really litigated whether or not it had to make a redemption in one year, but that has been upheld by the courts also," Mr. Kosiba said.

Robert Herbert, an attorney for the bank, declined to comment on the proceedings.

The pension fund filed suit nine months after the bank failed to return within one year $41 million of the $67 million the municipal fund had invested in Fund F. The pension fund notified officials it wanted to withdraw its investment in Fund F on Nov. 22, 1988, but received only $26 million.

Illinois Municipal is asking for the return of its $41 million; more than $9.8 million in specified damages; unspecified losses of interest; and punitive damages. No trial date has been set.

Although not a defendant, the properties in Fund F are managed by JMB Institutional Realty Advisors, Chicago.

B P America's pension fund also has filed suit against the First National Bank of Chicago with the U.S. District Court in Cleveland. It is seeking the return of its $17 million investment in Fund F, lost principal and interest and punitive damages.

At a meeting in Chicago in January of many of the pension funds in Fund F, some pension executives suggested paying off small investors with $20 million of the $120 million in cash the fund now is holding. Larger investors then could reform the fund's rules, providing for an orderly liquidation of the fund's properties, some suggested.

But the pension funds haven't sent a formal proposal to the bank, said Kevin Lynch, a principal with the real estate consulting firm, The Townsend Group, Cleveland. Mr. Lynch represented some of the pension funds in the fund.

Trouble began for Fund F in the late 1980 when it started racking up poor performance numbers. The fund returned an annualized return of 6.3% for the 10 years ended Sept. 30 in Pensions & Investments' Performance Evaluation Report. The median was 9.1% for the same period.

Cash withdrawal requests from Fund F reached a high of $189 million in the spring of 1989, when the fund had $59 million in cash. ■

REITs

Continued from page 4

hold up to 25% of a publicly traded REIT. But funds that each hold at least a 10% stake still could not collectively together hold more than 50% of the REIT shares under the proposal. While U.S. pension funds could buy a larger than 10% interest in a privately held REIT, their investment would be subject to the UBIT. Funds with less than a 10% interest in the same REIT would continue to avoid the tax.

Some real estate experts would like Congress to go further. For one thing, they would like the distinction between private and public REITs eliminated.

"What we got in the House is an imperfect and flawed proposal," said Mark Decker, president, National Association of Real Estate Investment Trusts, Washington. The ownership restrictions still preclude pension funds, and large funds in particular, from investing meaningful capital into the trusts, Mr. Decker said.

"For the large pension funds with predominant dollars to invest, they've opened the door and just closed it. What we're saying is leave it open."

Mr. Decker said he is working with members of the Senate Finance Committee to raise the ownership threshold on private REITs to 25% and remove the 50% aggregate rule from public REIT investments.

The 50% aggregate rule restricts institutional investors to remaining minority owners.

Steve Wechsler, president of the National Realty Committee, Washington, urged the law to be further modified to apply the same standards to U.S. pension funds investing in REITs as those governing foreign funds.

In what some have called a quirk in the law, domestic funds are viewed as single shareholders while foreign funds can count their beneficiaries as individual investors, enabling them to avoid the five-person rule and permitting foreign funds to have larger ownership stakes.

But Mike Torres, vice president at Wilshire Associates, Santa Monica, Calif., believes the debate over the five-person rule is misguided.

"In reality, pension funds don't want to own more than 10% of any one REIT," he said. "This whole discussion has been completely confused by people saying this is a monumental problem." ■

Washington Editor Joel Chernoff also contributed to this story.

Minority

Continued from page 1

managers in 1991, representing $16.7 billion. Of this amount, 10 corporate placements representing $130 million — less than 1% of the total — were recorded with women- and minority-owned firms.

By comparison, Tracker recorded 434 public pension fund placements in 1991, representing $22.5 billion. Minority- and women-owned firms received 61 of these placements, representing $1.3 billion, or almost 6%.

Johnson & Johnson, New Brunswick, N.J., is one of the companies cited as a good place for minorities to work. H. Scott Snead, director-pension investments with the company's $1.5 billion pension fund, said he has looked for minority- and women-owned firms, but he has not found any in the investment styles he is considering. The fund currently is searching for an international manager.

"Most of them seem to be value managers," said Mr. Snead. "We have been decreasing that style in our fund."

Johnson & Johnson also has a 401(k) plan, and like most defined contribution plans, the majority of the assets are in guaranteed contracts, an area in which few minority- and women-owned plans are involved.

Additional minority manager hires are unlikely at the pension fund of another company listed by the magazines — Philip Morris Cos. Inc., New York. The $8.7 billion pension fund is reducing its manager stable as a result of the consolidation of the Kraft and General Foods pension funds, according to David Kirby, a vice president with the company.

Among its 21 managers is Ariel Capital Management Inc., Chicago, a minority-owned firm.

"In our domestic equity lineup, three years ago we had 20 managers; now we have 11," Mr. Kirby said.

The $1.1 billion pension fund for Federal Express Corp., Memphis, also finds itself with more managers than it needs following its 1989 acquisition of Tiger International Inc., according to William Gurner, manager-trust investments. Federal Express also was on the magazines' lists.

The fund added minority manager Amerindo Investment Advisors Inc., San Francisco, to its roster of 23 managers in 1990 when it decided to enhance its allocation to venture capital by adding a manager that buys companies that recently went public. Amerindo invests in small-capitalization stocks with a biotechnology and applied science bias.

ANTHONY F. FICKE

Hiring a minority manager to run $5 million for the pension fund of Federal Express Corp. really paid off, a pension official says.

"When we went through the list and saw Amerindo, we liked them the best," said Mr. Gurner. "We thought it was a good fit because they could fit into a post-venture type situation."

Since making the $5 million investment with Amerindo, Federal Express has realized a return of 126% on the investment, Mr. Gurner said. "It is one of the best investments we ever made."

Some pension executives working for corporations cited by Hispanic or Black Enterprise magazines have made a commitment to try to hire women- or minority-owned firms, or from the much more inclusive category of "emerging" firms, which consists of small firms regardless of gender or racial makeup of the ownership.

The $3.7 billion pension fund of Xerox Corp., Stamford, Conn., for example, has had a farm team since 1979, according to Gerald Paolini, manager-trust investment strategy. In a farm team arrangement, a small amount of a pension fund's total assets are set aside for small money managers.

The farm team backs up Xerox's belief that smaller managers are better able to put meaningful positions into a portfolio because of their small size.

"We think you can make more money with less assets under management because if you have large amounts of money, you limit your opportunity set," said Mr. Paolini.

Xerox uses the farm team as a proving ground. Successful managers are promoted to managing assets for the fund, according to Mr. Paolini.

The Xerox farm team now has two managers, both minority- or women-owned — Schafer Capital Management Inc., Princeton, N.J., and Westwood Management Corp., New York. It once had as many as eight, some of which were promoted and others terminated.

One pension fund whose company made the magazines' lists — Chrysler Corp., Highland Park, Mich. — hires minority managers through the Minority Equity Trust, a manager of managers fund sponsored by Bankers Trust Co., New York. Russell P. Flynn, manager-pension fund investments, said Chrysler also has five other women- and minority-owned managers.

The pension funds for Coca-Cola Enterprises and Coca-Cola Co., both in Atlanta, also have made special efforts toward hiring minority firms.

Coca-Cola Enterprises, an aggregation of 55% of the U.S. Coca-Cola bottling companies, was created in 1985, and is 43% owned by the Coca-Cola Co.

The pension committee of the new company made a "deliberate upfront decision to have minority participation in the assets," said Vicki Roman, treasurer.

"We felt it was important and the right thing. We wanted to do it as part of the restructuring process and not as an after-the-fact kind of thing."

Of its six managers, the $350 million Coca-Cola Enterprises pension fund has three minority-owned managers which handle about 13% of the total assets of the fund, she said.

The $600 million pension fund for Coca-Cola, like Chrysler, uses a minority manager of managers fund — Progress Trust, sponsored by Progress Investment Management, San Francisco. ■

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